



2018 CIVIL SOCIETY ORGANIZATION SUSTAINABILITY INDEX

FOR ASIA

5th EDITION – NOVEMBER 2019

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Developed by:

United States Agency for International Development
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Disclaimer: The opinions expressed herein are those of the panelists and other project researchers and do not necessarily reflect the views of USAID or FHI 360.

Cover Photo: Representatives from ten sucos (administrative units) from Baucau municipality in Timor-Leste presented stories of their success at the Ba Distrito Suco Expo. At the all-day expo, the suco councils displayed exhibits and made presentations about their projects to council members from other sucos, administrative officials, representatives from line ministries, and the public. The expo was supported by the USAID-funded Ba Distrito project, which helps local leaders to use effective consultations with their communities to develop and implement projects.

Photo Credit: Cristóvão Fausto Guterres, USAID/Timor-Leste

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INTRODUCTION

The United States Agency for International Development (USAID) is pleased to present the fifth edition of the *CSO Sustainability Index for Asia*, covering developments in 2018.

This year's Index reports on the state of CSO sectors in nine countries in Asia. The Index addresses both advances and setbacks in seven key components or "dimensions" of the sustainability of civil society sectors: legal environment, organizational capacity, financial viability, advocacy, service provision, sectoral infrastructure, and public image. The Index is intended to be a useful source of information for local and international CSOs, governments, multilateral institutions, donors, academics, and other partners and stakeholders who want to better understand and monitor key aspects of sustainability in the CSO sector.

The Index's methodology relies on CSO practitioners and researchers, who in each country form an expert panel to assess and rate these dimensions of CSO sustainability during the year. The panel agrees on a score for each dimension, which ranges from 1 (the most enhanced level of sustainability) to 7 (the most impeded). The dimension scores are then averaged to produce an overall sustainability score for the CSO sector of a given country. A Washington, DC-based editorial committee composed of technical and regional experts reviews each panel's scores and the corresponding narrative reports, with the aim of maintaining consistent approaches and standards so as to facilitate cross-country comparisons.

In order to better ensure scoring consistency across countries, one dimension-level score in this year's Index was recalibrated to better reflect the situation on the ground, as opposed to being based on change from the previous year. The score is marked in the individual report. Further details about the methodology used to calculate scores and produce narrative reports, and to recalibrate scores, are provided in Annex A.

The *CSO Sustainability Index for Asia* complements similar publications covering other regions. The *CSO Sustainability Index for Central and Eastern Europe and Eurasia* assesses the civil society sectors in twenty-four countries; the *CSO Sustainability Index for Sub-Saharan Africa* covers thirty-one countries, and the *CSO Sustainability Index for the Middle East and North Africa* reports on developments in seven countries. In addition, the first report for Mexico is being published this year. These various editions of the *CSO Sustainability Index* bring the total number of countries surveyed in 2018 to seventy-two.

To further explore CSOSI's historical data and past reports, please visit - www.csosi.org.

ACKNOWLEDGMENTS

A publication of this type would not be possible without the contributions of many individuals and organizations. We are especially grateful to our implementing partners, who played the critical role of facilitating the expert panel meetings and writing the country reports. We would also like to thank the many CSO representatives and experts, USAID partners, and international donors who participated in the expert panels in each country. Their knowledge, perceptions, ideas, observations, and contributions are the foundation upon which this Index is based.

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EXECUTIVE SUMMARY

The *2018 CSO Sustainability Index for Asia* reports on advances and setbacks in seven key dimensions affecting the sustainability of the CSO sectors in nine countries: Bangladesh, Burma, Cambodia, Indonesia, Nepal, Pakistan, the Philippines, Sri Lanka, and Thailand.

POLITICAL DEVELOPMENTS

Political developments, including elections and political systems, continued to impact CSOs in the region in 2018.

Elections were held in 2018 in several countries covered in this edition of the *CSO Sustainability Index*, including Bangladesh, Cambodia, Sri Lanka, Nepal, and Pakistan. Problematic general elections were held in Bangladesh and Cambodia, which resulted in landslide victories for the ruling parties in both countries. In the run-up to both elections, political and human rights activists were arrested and media outlets were silenced, which had a dampening effect on CSO advocacy. After a prolonged delay, the first local elections were held in Sri Lanka since the coalition government came to power in early 2015. In Nepal, the incumbent president was reelected for a second five-year term in March. In July, Pakistan held elections for the National Assembly and the four provincial assemblies. The election results included several historical achievements. For the first time, a candidate from the minority Hindu community won a seat in the parliament as a candidate with a mainstream party platform. In addition, a record number of women candidates ran in the direct elections for the National Assembly and provincial assemblies. In another first, in March, a Hindu woman was elected to the Senate (the upper house of parliament) for the first time in Pakistan's history.

Systematic challenges continued to stunt the development of democratic systems in Thailand and Burma. Thailand continues to be under military rule, and the prime minister has absolute power. While Burma has had a civilian-led government for the past two years, the military retains control of 25 percent of seats in parliament, as well as three powerful ministries, and much of the civil service is dominated by ex-military officials. In these contexts, CSOs have limited opportunities to influence public policies.

Sri Lanka experienced significant political turmoil in the last few months of the year. After a major political alliance withdrew from the coalition government, the president appointed a new prime minister and eventually dissolved the parliament, a move that was challenged in the Supreme Court. In December, the Supreme Court ruled that the dissolution of the parliament was unconstitutional, and the previous prime minister was sworn in again. CSOs played a vital role during this tumultuous period, organizing protests, engaging on social media, and filing petitions before the Supreme Court to challenge the actions taken.

In the Philippines, the administration has repeatedly threatened the declaration of a revolutionary government or the exercise of emergency powers, citing the alleged destabilization plot against the president and the need for greater authority to address increasing crime. In May, the Chief Justice of the Supreme Court was ousted in a controversial manner for allegedly not submitting all the required statements of her assets, liabilities, and net worth. This was seen as retaliation for the fact that she had issued dissenting opinions on several decisions involving government actions. CSOs mobilized thousands of supporters to protest her ouster.

ONGOING CONFLICTS

Long-standing conflicts continued to simmer in several countries in the region. In some cases, conflicts restrict CSOs' access to various parts of the country, while in others it drives the services that CSOs provide.

The conflict in Thailand's Deep South between the insurgent group Barisan Revolusi Nasional (BRN) and the Thai authorities continued in 2018, although there were some promising developments. In February, the MARA Patani, a pro-dialogue umbrella organization uniting six insurgent groups, nearly reached an agreement with Thai authorities on a ceasefire zone, but the Thai authorities ultimately refused to conclude the agreement. According

to news sources, in November BRN stated it had “slowed down its military operations as it is pursuing the political way.” In addition, the Malaysian prime minister committed to help end the violence in the South. The government suspects some organizations of being part of the separatist movement and therefore subjects them to heavy surveillance. Because of this strict monitoring, local communities avoid collaborating with CSOs in this area, making it difficult for CSOs to build strong constituencies.

In the Philippines, after decades-long peace negotiations between rebel groups in Mindanao and the Philippine government, the Bangsamoro Organic Law was passed by Congress and signed by President Duterte in 2018, leading to the establishment of the Bangsamoro Autonomous Region in 2019. In December 2018, however, Congress voted to extend martial law in Mindanao until the end of 2019. The president also deployed additional police and military to some areas outside of Mindanao to suppress “lawless violence” and acts of terror, causing some CSOs to express concern that this could be a precursor to nationwide martial law. CSOs provided humanitarian assistance in response to the ongoing violence in Marawi City in Mindanao, while increasingly observing the standards and principles developed by the international humanitarian community. Meanwhile, killings linked to the government’s so-called war on drugs, which began when President Duterte took office in mid-2016, had reached an estimated 20,000 by the end of 2018, straining CSOs’ abilities to provide services to the families of those killed.

Sri Lanka also made limited progress on post-war reconciliation and accountability in 2018. The parliament enacted laws criminalizing enforced disappearances and establishing an Office for Reparations. In addition, the president appointed commissioners to the Office on Missing Persons, which took steps towards operationalization during the year. CSOs played a key role in advocating for these government actions towards transitional justice.

The peace process in Burma, on the other hand, stagnated in 2018, and two prominent Ethnic Armed Organizations (EAOs) suspended their participation in the process at the end of the year due to conflicting interpretations of the National Ceasefire Agreement. CSOs play a limited formal role in the peace process, but seek to participate in other ways, including discussions and advocacy about reforms needed for improved health, education, livelihood, natural resource management, and justice and accountability.

CIVIC SPACE CONTINUES TO DECREASE

Civic space continued to be restricted in 2018 in several countries covered in this edition of the *CSO Sustainability Index*, with governments clamping down on freedoms of association, expression, and assembly. Government attempts to restrict civic space primarily manifest themselves in three dimensions of CSO sustainability: the legal environment, advocacy, and public image. The passage of restrictive legislation and the restrictive implementation of legislation governing CSOs and media are key components of government efforts to restrict civic space; this is often accompanied by increased harassment of civil society actors, which is also captured in the legal environment dimension. At the same time, governments often shut CSOs out of the policy-making process, resulting in a deterioration in advocacy. Finally, government officials often try to delegitimize CSOs and control media coverage of the sector, tarnishing the sector’s public image. Four of the nine countries covered in this year’s *CSO Sustainability Index for Asia* reported worse scores in all three of these dimensions in 2018, while other countries experienced restrictions in one or two of these dimensions.

In Bangladesh, the ruling party made a concerted effort to tighten its grip on power in 2018, including by introducing restrictive laws and regulations on civil society and media. Of particular note, in October 2018, the Digital Security Act (DSA) came into effect, which criminalizes various types of online speech, thereby severely weakening the ability of CSOs to engage in advocacy. According to local newspapers, since the DSA came into force, more than sixty people have been arrested, mostly for exercising their right to freedom of expression on the internet. Implementation of existing laws regulating CSOs also became more restrictive. For example, the registration of new NGOs under the Foreign Donations (Voluntary Activities) Regulations Act (FDRA) 2016, which is required for a CSO to receive foreign funding, has all but ceased except for those with political connections or government favor. The public image of CSOs also worsened. Before the national elections in 2018, the government alleged that many CSOs or members of civil society were involved in an anti-government conspiracy, and that they support or sympathize with corrupt opposition parties or coalitions. In order to avoid harassment after the DSA’s passage and because of their deteriorating public image, advocacy CSOs increasingly engaged in self-censorship in 2018.

The situation in Cambodia was similar, with the government taking concerted actions to shrink civic space and silence dissent. Authorities monitored and interfered in CSO meetings and activities in the run-up to the July elections on the pretext of security. In addition, many civic and human rights activists were arrested and convicted. CSOs were also subject to other forms of intimidation and threatened with closure and other penalties for non-compliance with laws. In May 2018, the government enacted a decree on social media and website control that prohibits overly broad categories of speech and empowers ministries to block websites that publish prohibited content. The Ministry of Interior arbitrarily blocked fifteen news websites for two days in July—the day preceding and the day of the national election—allegedly to comply with the election law’s prohibition on political party campaigning during this period. However, media outlets generally considered as “pro-government” remained accessible. The government also closed or coerced the sale of the last independent local newspapers in the country at the end of 2017 and beginning of 2018. As a result of these threats, continued harassment, and the closure of key advocacy channels, CSOs were effectively unable to engage in any direct advocacy during the year. Meanwhile, the government continued to cast CSOs in a negative light, often accusing them of being foreign agents, “color revolutionaries,” and “bad” actors. With the closure of independent media outlets, the government is able to push this narrative through its controlled media outlets as well as social media accounts without worrying about any counter-narratives painting civil society in a positive light.

In Thailand, the National Council for Peace and Order (NCPO), the military junta that rules the country, continued to restrict civic freedoms. An increasing number of human rights activists, journalists, and other members of civil society were harassed, charged, and imprisoned under various legal provisions in 2018. Media organizations were also subjected to state harassment, including temporary closures due to non-compliance with laws and regulations that prohibit the spread of information critical of the military government and the monarchy. While activists continue to speak out, advocacy decreased as the NCPO increasingly operated without transparency, making high-level decisions without public consultations. Even when public hearings were organized to gather public input on draft legislation or policies, CSOs reported that their comments and recommendations were not incorporated into the final versions. As more human rights defenders were charged under restrictive laws in 2018, journalists increasingly self-censored and the media provided less coverage of CSOs out of fear that the government would also consider them opponents, leading to a worsening of the sector’s public image. In addition, the government discredited human rights activists in the media during the year.

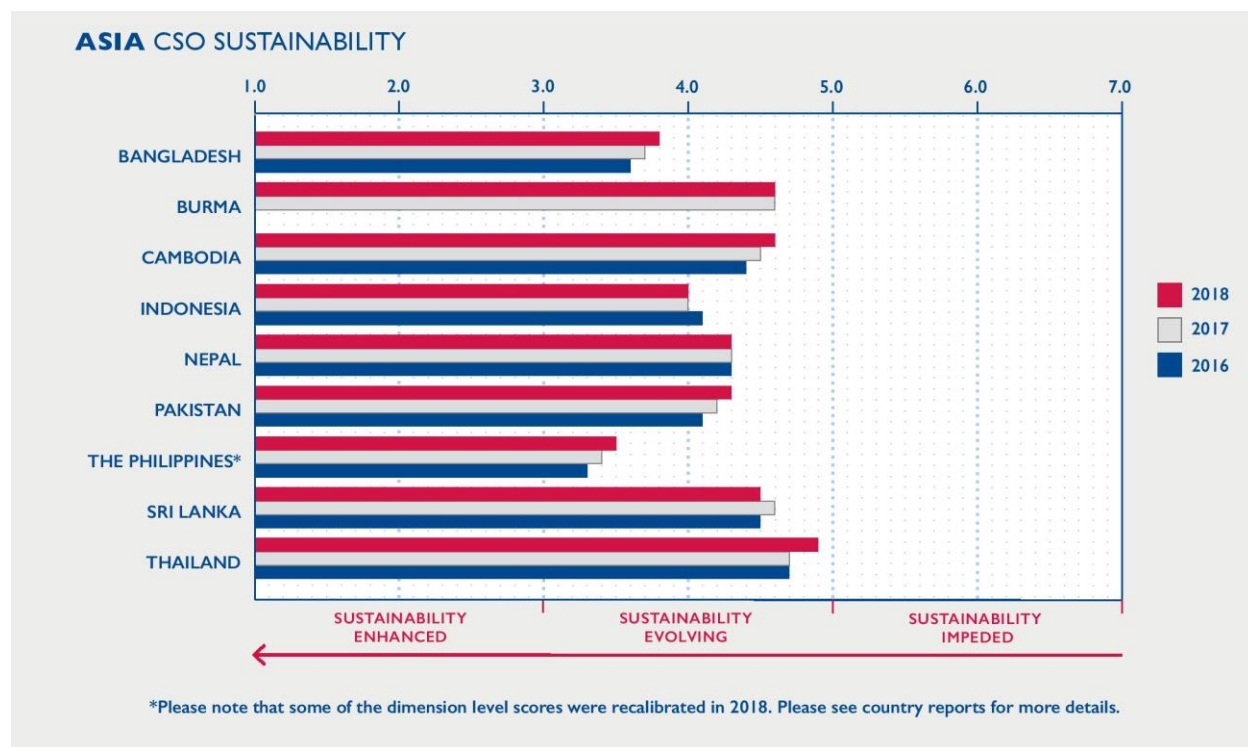
While the Philippines continues to have the highest level of CSO sustainability among the countries covered in this edition of the *CSO Sustainability Index*, it also reported deterioration in the legal environment, advocacy, and public image dimensions in 2018, as the Duterte government continued its crackdown on dissent. State harassment of CSOs, human rights defenders, activists, and lawyers representing marginalized groups increased. Extrajudicial killings have been an increasing problem, as well; according to Human Rights Watch, thirty-four human rights lawyers have been killed in the Philippines since 2016. In this context, CSO advocacy has declined as CSOs increasingly engaged in self-censorship and the number of organized groups participating in protests declined. The president perceives human rights activists and CSOs as critics of his public pronouncements and policies, particularly the war on drugs, and the military and police have accused some activists and organizations of being “communists” or “leftists.” In addition, the president verbally attacked major media companies, accusing them of bias in their coverage of government programs and the war on drugs. Following these attacks, the work of advocacy and service delivery CSOs received less national media attention.

Elements of closing civic space were also noted in other countries in the region, although to a lesser degree. In Sri Lanka, the sector’s public image deteriorated as negative statements about rights-based CSOs increased. The government also took measures to regulate the media in 2018, including imposing a ten-day, country-wide ban on certain social media platforms in response to anti-Muslim violence and replacing the heads of state-owned media. The legal environment also deteriorated, in part due to continued state scrutiny and surveillance of CSOs. In contrast to the other countries described above, however, CSO advocacy in Sri Lanka improved, as CSOs increasingly engaged with the government and public on issues like law reform, transitional justice, and the political crisis. In Burma, rights-based activists and organizations experienced increased state harassment, especially by the military and military-controlled ministries, leading to a decline in the legal environment.

Governments in Indonesia and Nepal took steps to limit freedom of expression. Despite the consolidation of democratic practices in Indonesia, censorship of online content continued. Social media platforms were blocked for reasons such as “fake news,” hate speech, terrorism, and pornography, and several individuals were convicted for their online posts. In Nepal, a bill was introduced that would mandate the registration of social media websites

with the Department of Information; social media sites that fail to register would have their services blocked. In addition, the chief editor of an online paper was arrested under the cybercrime law for reprinting news on corruption, and the communications minister reportedly directed state-owned media not to report any news that harms the government's reputation.

TRENDS IN CSO SUSTAINABILITY



The overall levels of CSO sustainability in the countries covered by this edition of the Index continue to fall in a very narrow band within the Sustainability Evolving range. At the higher end of this range are the Philippines and Bangladesh, with scores of 3.5 and 3.8 respectively, while Burma, Cambodia, and Thailand have the lowest levels of sustainability, with scores ranging from 4.6 to 4.9. No country reports a single dimension score in the Sustainability Enhanced category.

Overall CSO sustainability in these nine countries continued to demonstrate negative trends in 2018. While only three countries—Bangladesh, Cambodia, and Thailand—reported declines in their overall CSO sustainability scores during the year, most other countries reported deterioration in at least one dimension.

Thailand experienced the most significant deterioration in sustainability, with declines noted in all seven dimensions. As discussed above, state harassment dramatically increased, CSOs' ability to engage in advocacy decreased, and the sector's public image worsened. CSOs had less access to funding, which also resulted in a deterioration in their organizational capacity, with most CSOs struggling to retain staff. The diminished financial and human resources, together with increased state harassment and obstruction of CSOs' activities, also led to a decrease in service provision, while sectoral infrastructure weakened as intermediary support organizations and CSO resource centers struggled to offer services that CSOs could afford.

Bangladesh and Cambodia both reported deteriorations in four dimensions of sustainability. As discussed above, CSOs in both countries experienced worsening legal environments, engaged in less advocacy, and suffered from a worsening public image. In addition, financial viability deteriorated in Bangladesh, while organizational capacity deteriorated in Cambodia.

While overall sustainability in Pakistan did not change, four dimensions of sustainability—legal environment, organizational capacity, financial viability, and advocacy—worsened in 2018. The legal environment deteriorated

because of problems implementing the existing laws that govern CSOs, while financial viability decreased because of declining levels of foreign funding. The cumulative impact of the difficult legal and financial environments over the past several years drove down the sector's organizational capacity.

While the Philippines still boasts the highest level of CSO sustainability in the region, worsening trends were reported in the legal environment, advocacy, and public image, as noted above.

Sri Lanka was the only country to report an improvement in overall CSO sustainability, driven by positive developments in organizational capacity, advocacy, and the infrastructure supporting the sector. At the same time, the legal environment worsened as a result of delays in registration and continued state harassment, while negative statements by prominent government representatives tarnished the sector's public image.

Nepal also reported largely positive trends during the year, with improvements noted in advocacy, service provision, and the sectoral infrastructure, although these did not lead to a change in overall sustainability. CSOs made increasing efforts to conduct evidence-based advocacy in order to contribute to the laws being developed to conform to the new federalist structure and increasingly collaborated with local governments on service provision. In addition, local CSOs received subgrants from international organizations to work in various provinces and districts.

Mixed trends were noted in Burma. The legal environment governing CSOs deteriorated, as rights-based activists and organizations experienced more state harassment, especially by the military and military-controlled ministries. At the same time, the sector's organizational capacity improved due to the availability of donor-funded capacity-building opportunities and increased access to information and communications technologies, while the infrastructure strengthened with the establishment of new resource centers and increased coordination and networking among CSOs.

On average, financial viability continues to be the weakest dimension of CSO sustainability in the nine countries covered in this report. Foreign funding continues to be an important source of support for CSOs in Asia, although it generally benefits a small segment of the sector, generally those based in large cities with greater experience and capacities. Individual and corporate philanthropy exist but are still generally insignificant sources of funding. The level of financial support from the government varies significantly across the region. For example, the government in Bangladesh disburses hundreds of millions of dollars in grants and micro-credit loans to CSOs through different institutions, while the government in Burma does not provide funding to local CSOs.

Service provision continues to be one of the strongest dimensions of sustainability, with CSOs throughout the region providing services in a variety of areas, including health, education, legal assistance, environmental protection, small business development, and agriculture. CSOs in Bangladesh provide critical services to the more than one million ethnic Rohingya refugees in the country who fled a campaign of mass killings against them in Burma.

Sectoral infrastructure saw the greatest improvement in 2018, with four countries—Burma, Indonesia, Nepal, and Sri Lanka—noting positive developments in the infrastructure supporting their CSO sectors. In Burma, new resource centers were established in 2018 and several national-level CSO networks and coalitions became stronger. The improvement in Indonesia was fueled by an increase in cross-sectoral cooperation. Growth in grantmaking by intermediary support organizations contributed to the improvement in Nepal, while advances in coalition building and intersectoral cooperation were reported in Sri Lanka.

Organizational capacity continues to show mixed trends. Organizational capacity in Cambodia, Pakistan, and Thailand deteriorated in 2018 because of the increasingly difficult financial and legal environments, while it improved in Burma and Sri Lanka. CSOs in Burma reported improved capacities due to the availability of donor-funded capacity-building opportunities and increased access to information and communications technologies, while Sri Lankan CSOs credited advances in constituency building for their improved capacities. CSO sectors throughout the countries covered tend to have varied capacities, with a small number of organizations—generally better resourced CSOs based in cities—boasting strong internal management structures, strategic plans, permanent staff, and access to modern technologies, while other CSOs struggle in these areas.

As discussed above, the legal environment, advocacy, and public image dimensions all experienced widespread negative developments. Seven countries reported deterioration in legal environment, five in advocacy, and five in public image. While no countries reported improvements in legal environment or public image, three countries—

Indonesia, Nepal, and Sri Lanka—noted improvements in advocacy, as CSOs increasingly engaged with the government on pressing issues, including transitional justice, anti-corruption, and women’s rights.

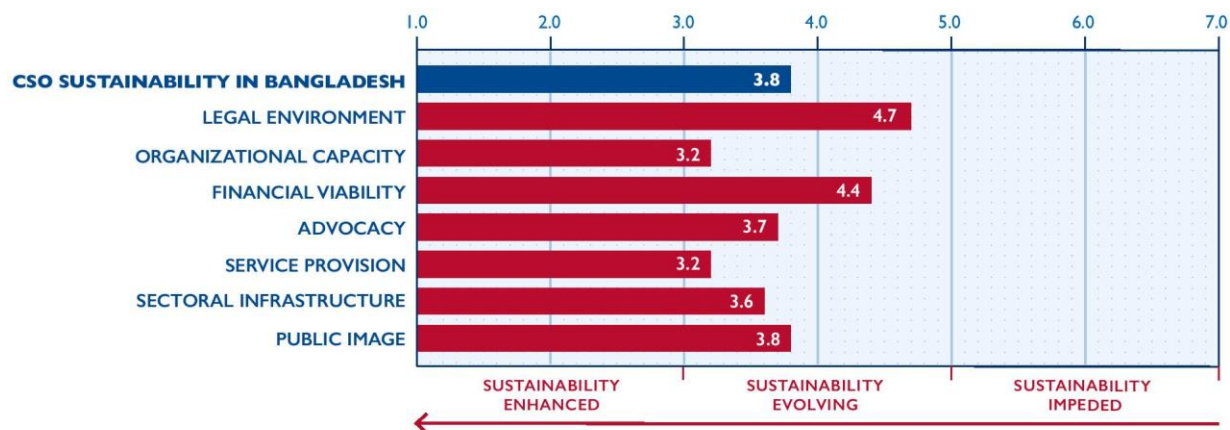
CONCLUSION

The country reports that follow provide an in-depth look at the CSO sectors in nine diverse Asian countries. We hope this annual survey continues to capture useful trends for CSOs, governments, donors, and researchers supporting the advancement of CSO sectors.

BANGLADESH

Capital: Dhaka
Population: 159,453,001
GDP per capita (PPP): \$4,200
Human Development Index: Medium (0.608)
Freedom in the World: Partly Free (45/100)

OVERALL CSO SUSTAINABILITY: 3.8



Overall CSO sustainability in Bangladesh declined in 2018, with negative developments noted in most dimensions. The legal environment and space for advocacy experienced especially sharp declines.

2018 was an election year in Bangladesh. In February, President Abdul Hamid was re-elected by the parliament. General elections were held on December 30, which concluded with a landslide victory for the incumbent Bangladesh Awami League (BAL), popularly called AL. According to the U.S. State Department's 2018 Human Rights Report, however, harassment, intimidation, arbitrary arrests, and violence made it difficult for many opposition parties to participate freely in the election campaigns. At the beginning of the year, for example, the chief of the Bangladesh Nationalist Party (BNP), the main opposition party in the country, was arrested and convicted on corruption charges, weakening the BNP's position. The arrest of two renowned civil society leaders for sedition and defamation before the election sent a chilling message to civil society. In addition, despite deployment by the Bangladesh Election Commission (BEC)—an independent statutory body—of 1.5 million security personnel and election officials, there were numerous incidents of unrest at the local level during the election process.

The ruling party made a concerted effort to tighten its grip on power in 2018, including by introducing restrictive laws and regulations on civil society and media. According to Reporters without Borders' 2018 World Press Freedom Index, Bangladesh ranks 146th out of 180 countries. The report notes that the election campaign period "was accompanied by a disturbing increase in press freedom violations, including violence by political activists against reporters in the field, the arbitrary blocking of news websites, and arbitrary arrests of journalists." Freedom House's Freedom in the World report notes that "Open private discussion of sensitive religious and political issues is restrained by fear of harassment."

The deterioration of the political environment affected other areas as well. Cases of extrajudicial killings have increased, especially following the introduction of a nationwide anti-narcotics campaign in which many killings were declared to be caused by "gunfight" or "crossfire." Violence against women and children has also increased as law enforcement shifted their attention to political issues rather than social challenges. The World Justice Project's

*Capital, population, and GDP for all country reports are drawn from the Central Intelligence Agency, The World Factbook, available online at <https://www.cia.gov/library/publications/the-worldfactbook/>. Human Development Index data available at <http://hdr.undp.org/en/composite/HDI>. Freedom in the World data available at <https://freedomhouse.org/report-types/freedom-world>.

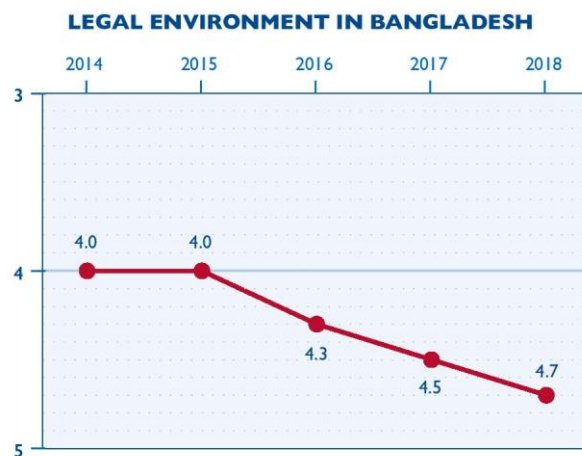
Rule of Law Index 2017-2018 ranked Bangladesh 102nd out of 113 countries based on surveys to gauge citizens' experience of rule of law in practice.

Bangladesh now hosts more than one million ethnic Rohingyas who fled a campaign of mass killings against them in Burma. With the support of the local population, the government, national and international CSOs, and United Nations (UN) agencies provide the refugees with food, shelter, and basic health services. The Daily Star reported that the expansion of Rohingya settlements in Cox's Bazaar has led to environmental losses of more than \$221 million, creating resentment among the local population and exacerbating already grave environmental and biodiversity issues. Timely funding is required to meet life-saving and humanitarian needs as well as to mitigate the impact on host communities.

Despite these challenges, Bangladesh continues to make progress towards its development goals. Gross domestic product (GDP) grew by 7.9 percent between 2017 and 2018, and the country moved up three places to 136th out of 189 countries in the Human Development Index issued by the United Nations Development Programme (UNDP). Furthermore, the country continues to implement plans to achieve the UN Sustainable Development Goals (SDGs) by 2030 by increasing the participation of CSOs, donors, government bodies, private sector, and the media in its efforts to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity.

CSOs in Bangladesh have the option of registering under several government institutions including the NGO Affairs Bureau (NGOAB), Department of Social Welfare, Department of Women Affairs, and Registrar of Joint Stock Companies and Firms (RJSC). The exact number of CSOs and community-based organizations (CBOs) in Bangladesh is unknown. One estimate indicates that there are approximately 250,000 CSOs registered under different government bodies, with fewer than 50,000 active. CSOs that receive foreign funding need to register with the NGOAB and are called non-governmental organizations (NGOs). The NGOAB website reports 2,219 domestic NGOs and 253 international NGOs (INGOs) operating in Bangladesh as of May 2019.

LEGAL ENVIRONMENT: 4.7



The legal environment for CSOs deteriorated in 2018. Although the laws regulating CSOs did not change, their implementation became more restrictive. Most notably, the registration of new NGOs under the Foreign Donations (Voluntary Activities) Regulations Act (FDRA) 2016, which is required for a CSO to receive foreign funding, has all but ceased except for those with political connections or government favor or at least have no association with anti-liberation forces and their patrons. According to the NGOAB, forty-eight NGOs were registered under the FDRA in 2018-19 compared to sixty-seven in 2017-18. The FDRA allows the NGOAB to cancel the registration of an NGO—and thereby prohibit it from receiving foreign funding—if it makes an offensive comment against the constitution or constitutional bodies, which includes the parliament, the president, the

judiciary, and to some extent the civil bureaucracy. In addition, the FDRA obligates NGOs to report regularly to the NGOAB about their activities, incomes, and expenditures.

The framework laws governing CSOs in Bangladesh include the Societies Registration Act (1860), the Trust Act (1882), the Co-operative Societies Act (2001), and the Companies Act (1994). Additional regulatory statutes include the Voluntary Sector Welfare Agencies (Registration & Control) Ordinance (1981), the Microcredit Regulatory Authority Act (2008), and the FDRA 2016. CSOs in the Chittagong Hill Tracts must register under the Chittagong Hill Tracts Regional Council Act 1998 (Act XII of 1998).

CSOs face increasing challenges registering due to the lack of coordination, transparency, and accountability among different registration bodies. Although lobbying and bribery of registration officials, investigating officials, line ministries, financial regulators, and law enforcement agencies is a virtual necessity, CSOs still find it nearly impossible to obtain registration. The law provides time limits in which the registration process should be

completed, but in practice the timeline is open-ended. Registration is sometimes delayed on the pretext of police and intelligence verification, and sometimes denied due to adverse police reports indicating “prejudicial activities.”

Additionally, government officials demand various submissions—often of questionable relevance—from organizations in an ad hoc fashion. Registration officials often demand bank account information, while banks ask for registration papers in order to open accounts. Registration is particularly difficult for organizations that are rights-based. Government agencies rarely refuse registration directly, but instead just delay the process.

Groups working on sensitive issues, like missing persons, may avoid registering for fear of government harassment. Some CSOs, especially those working on rights and governance issues, find that functioning without registration allows them to work more freely, although small CSOs in rural areas might face legal harassment if they operate without registration.

In serious cases, NGOAB has revoked registration of CSOs for alleged anti-state activities or non-adherence to the NGOAB guidelines. According to media reports, NGOAB revoked the registration of 196 NGOs in the 2018-19 period, either because they did not renew their registration or because of alleged involvement in terrorism financing, legal non-compliance, or money laundering.

CSOs that want to receive foreign funds must register with the NGOAB and then receive project-by-project approval. However, NGOAB may not approve funding for projects that involve issues deemed sensitive by the NGOAB, local government, or law enforcement authorities. Such issues might include investigation into missing persons or reporting on CSOs’ difficulties with registration and accessing funds. On the other hand, funds for basic services such as education, health care, and information and communications technologies (ICTs) receive approval quickly since they align with government interests and do not challenge government officials’ authority.

In October 2018, the Digital Security Act (DSA) 2018 came into effect, which severely weakens the ability of CSOs to engage in advocacy. For example, under Section 32 of the DSA, an individual who breaks the Official Secret Act 1923 by secretly recording government officials or gathering information from a government agency using a computer or other digital device will receive up to fourteen years in prison, a fine of BDT 2.5 million (about \$30,000), or both. Since the DSA came into force, more than sixty people have been arrested, mostly for exercising their right to freedom of expression on the internet, according to local newspapers. Another piece of legislation, the Broadcast Act 2018, was proposed in October to regulate broadcast media and news portals; the draft law includes provisions with strict penalties like cancellation of licenses and jail terms of up to seven years.

The Right to Information (RTI) Act (2009) provides public access to the information of public, autonomous, and statutory organizations, as well as private organizations, to ensure transparency and accountability. CSOs all over the country are required to follow the Act and disclose information that is considered within the public’s right to know. Nevertheless, only a few CSOs are aware of and follow the Act’s requirement.

Registered NGOs are required to submit reports to the district commissioners (DC) office on their utilization of funding. In return, the DCs give them No Objection Certificates (NOCs) which CSOs require to continue their work. CSOs often struggle to submit these reports due to a lack of staff capacity. CSOs sometimes endure harassment from the DC offices, such as delays or non-issuance of NOCs.

CSOs are allowed to generate income from the provision of goods and services by charging fees or establishing social enterprises. They can engage in fundraising campaigns. CSOs can only accept funds from foreign donors with prior registration and project-by-project approval from the NGOAB.

Under the Income Tax Ordinance of 1984, CSOs are required to submit annual income tax returns. CSOs engaged in economic activities, including the provision of micro-credit loans, must pay taxes on the profits they earn and must spend the income for charitable purposes. Individuals and corporate entities that donate to CSOs focused on any of twenty-two designated public benefit purposes are eligible for tax deductions from their income up to 15 percent of the amount of the donation.

CSOs seek legal help when faced with harassment from authorities. However, in most cases, little is achieved through legal recourse as the legal sector is corrupt as well, and there are sometimes allegations that the judiciary bows to the government pressure. Several NGOs, including Bangladesh Legal Aid and Service Trust (BLAST) and Bangladesh National Women Lawyers’ Association (BNWLA), provide capacity-building support to division and district level lawyers and officials on rules and laws related to CSOs.

ORGANIZATIONAL CAPACITY: 3.2

Organizational capacity within the CSO sector did not change significantly in 2018.

CSOs tend to engage potential constituents during project implementation rather than in the design of interventions. Often, constituents are pre-selected by CSOs pursuing projects or by donor agencies or CSOs that sub-grant funds before they issue calls for tenders. Multi-year programs with sustained engagement are increasingly scarce.

Most CSOs state missions and visions in their organizational constitutions. Large, well-funded CSOs have strategic plans and try to follow them to the extent their funding allows. New and smaller CSOs are starting to develop strategic plans, but find them difficult to implement due to lack of resources.

Strategic planning and decision making in CSOs are generally not transparent, and most CSO members do not feel involved in these processes. The legal framework requires CSOs to adopt various policies addressing issues such as open information, human resource development, anti-money laundering, sexual harassment prevention, and child safeguarding in order to promote staff safety and professional improvement. The extent to which CSOs enact such policies is unclear.

Small CSOs in rural areas have limited abilities to engage qualified staff, as people with better qualifications often do not want to work outside the capital. Large CSOs and those headed by high-profile individuals often recruit family members of the boards of directors for key positions. Though many of these appointees are qualified, the nepotism and lack of transparency undermine the reputation and stability of CSOs.

Internet access is widely available in Bangladesh. Many CSOs have shifted aspects of their operations, including for office management and information, to digital platforms, thus increasing efficiency and reducing costs. For example, BRAC has created digital content for primary education. However, many organizations, especially small CSOs in rural areas, do not have adequate access to ICTs because of funding constraints and lack of skilled staff.

ORGANIZATIONAL CAPACITY IN BANGLADESH



FINANCIAL VIABILITY: 4.4

FINANCIAL VIABILITY IN BANGLADESH



Financial viability deteriorated slightly in 2018 due to the ongoing decline in funding for CSOs.

Only registered NGOs, which comprise a small percentage of the overall CSO sector, can receive direct foreign funding. In fiscal year (FY) 2017-18, the NGOAB approved 1,625 projects and released \$827 million, whereas in FY 2018-19 (until April 2019), the NGOAB approved 1,320 projects and released \$833.7 million. The main foreign donors include UN agencies, USAID, the United Kingdom's Department for International Development, the European Commission, the government of Germany, and the Nordic states.

Most international funds are now channeled to INGOs and their affiliated partners for Rohingya relief work. Local NGOs, civic platforms, and the government

question whether those funds are being used efficiently and reaching the intended beneficiaries. In December

2018, media reported that a large portion (82 percent) of the donations for Rohingya is being spent on the operational costs of INGOs and UN bodies, while only 18 percent is being used on programming.

Many NGOs struggle to get international funding due to a lack of networking skills and donors' increasingly limited areas of interest. In order to ensure sound financial management of the funds provided, donors prefer to provide grants to well-structured, corporate-like NGOs, rather than youth-led organizations, newly formed NGOs, or CBOs from remote areas.

Local funding from large corporations and other sectors exists, but is not very significant. For example, Unilever supports several NGO-led projects focused on primary health and education in remote areas of Bangladesh. Small CSOs rarely are able to access these funds.

The government, through different institutions—including Palli Karma-Sahayak Foundation (PKSF), Access to Information (A2i) Project, the Prime Minister's Office, and platforms like Young Bangla—disburses grants and micro-credit loans to many local CSOs. In FY 2017-18, PKSF received BDT 48 billion (\$568.5 million)—an increase from BDT 44 billion (\$520.8 million) in FY 2016-17—which it then distributed to CSOs. These interventions are promoting a new type of CSO across the country—those under government patronage, as opposed to donor-funded CSOs.

While some individuals make philanthropic donations to support various causes, CSOs rarely tap into this potential means of support. According to the Ministry of Finance, most individual giving is in the form of foreign remittances to families back in Bangladesh. *Zakat*, a compulsory annual financial contribution of Muslims based on their wealth, is a largely unexplored source of funding for CSOs. There is currently no centralized system in place for the collection and management of *zakat* in Bangladesh.

Most CSOs are unable to earn revenue from services, especially in small rural areas. Large NGOs gradually are becoming revenue-oriented by establishing social enterprises and introducing fees for non-formal education or basic health care services. Many small CSOs have also initiated microcredit activities, although this requires them to get licenses from the Microcredit Regulatory Authority (MRA) and the Central Bank.

NGOs undergo independent financial audits since they need to submit annual reports, along with audit reports and financial statements, to the NGOAB.

ADVOCACY: 3.7

CSO advocacy significantly weakened in 2018. Advocacy CSOs increasingly engaged in self-censorship in 2018, both to avoid harassment after the DSA's passage and because of their deteriorating public image. For example, in 2018 CSOs fighting against a government-backed power plant project in the Sundarbans Mangrove Forest were labeled by the government and ruling party as too ideological or as agents of western countries that are against Bangladesh's development, causing the CSOs to backtrack. As a result, the power plant project continues to endanger the environment.

The CSO sector plays a watchdog role vis-à-vis the government by utilizing the RTI Act to request information and data from the government. CSOs then use this information to publish reports, many of which highlight government corruption or failings. However, the process of accessing government information is not clear and CSOs often face difficulties receiving accurate data.

The 2018 parliamentary elections had fewer local and international observers than planned. There were only 146 international observers, mainly due to international observation bodies' dissatisfaction with the election process, as well as observers' inability to receive visas. At the same time, the lack of funding and delays in getting approval to observe the elections led to decreases in the number of local observers. Ultimately, CSOs that were registered



with the Election Commission as observer organizations deployed 25,920 individuals to monitor the parliamentary election. CSOs also educated voters on their civic duties during the campaign period, but rarely lobbied political parties to adopt certain platforms or policies. Meanwhile, few civil society or media organizations published reports or engaged in lobbying after the elections.

In 2017, the parliament passed the Child Marriage Restraint Act. Article 19 of the Act states that under special circumstances—such as for the best interest of the minor and with the approval or the court and parental consent—marriage involving a minor will not be deemed an offense. Despite this controversial section, which activists believe was added to reflect the interest of fundamentalists, there was little advocacy against it in 2018.

Some civil society representatives were invited to participate in government discussions on draft legislation, such as the draft Rules of the FDRA and the national Broadcast Act 2018. However, the government did not fully accept civil society's recommendations on either piece of legislation.

Religious minorities advocated for implementation of the 2001 Return of Enemy/Vested Property Act, which is aimed at returning properties confiscated by the state after the 1965 war between India and Pakistan, noting that few properties have been returned to the Hindus due to complications and internal resistance from government bodies.

In a continuation of earlier movements, students led the Quota Reform Movement from March to July 2018 to demand change to the quota system for civil service positions. The government reserves 56 percent of such positions for various “entitled” candidates—for example, 30 percent of seats are reserved for children and grandchildren of 1971 freedom fighters. Students made a five-point demand to the government, which included eliminating the quota system and replacing it with a recruitment system based on merit. The student wing of the ruling party Bangladesh Chatra League (BCL) and law enforcement agencies tried to suppress this movement with force. The government ultimately accepted the students' demands.

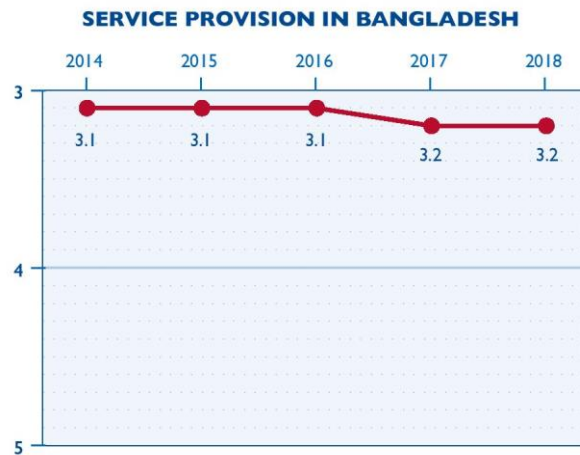
The Safe Road Movement began in late July 2018 after a bus killed two high school students in Dhaka's Kuril area. High school, college, and university students and others blocked roads to demand legal changes and capital punishment for reckless driving. After several days of protests, police attempted to disperse the demonstrators with tear gas, while people believed to be members of a pro-government youth front attacked protesters. Several protesters were arrested and dozens of cases were filed against them. The protests enjoyed popular support, including from a section of politicians and law enforcement.

In 2018, the DSA drove the media industry, particularly journalists, to exercise increased self-censorship and refrain from publishing reports that might antagonize powerful people and institutions. As a result, social media became a powerful alternative platform for such reporting. While it is mainly used by youth and the tech savvy, the number of people with access to the internet and social media grows each year. During the Quota Reform Movement, for example, traditional media blacked out violent clashes between students and law enforcement authorities, while Facebook live videos and photos posted online publicized the violence. The public also relied on and trusted social media over traditional media for coverage of the Safe Road Movement. However, the DSA also impedes CSOs' and individuals' ability to use social media freely, and some known media personalities faced penalties for allegedly spreading disinformation.

Established CSOs that are involved in advocacy exercised caution in 2018. For example, a recent study by BRAC shows that 94 percent of women are victims of sexual harassment on public transportation. When BRAC questioned the political or ideological reasoning behind the incidents, there was limited space to dig deeper due to the changed political situation and self-censorship to avoid persecution. A negative answer involving government actors could be interpreted as criticism against the government or even anti-government.

CSOs still have limited impact on legal and policy reforms. However, following CSO lobbying, in 2018 the government took some actions, such as revising the Standing Orders on Disaster (SOD) and considering additional provisions to establish a Ward Disaster Management Committee to strengthen disaster management at the community level. Following lobbying and advocacy by labor unions, the ready-made garments (RMG) sector also saw results in 2018, including a 50 percent increase in the minimum wage for garment workers and new labor laws that decreased the worker participation requirement to form a trade union from 30 percent to 20 percent. CSOs did not engage in any significant advocacy in 2018 to reform the FDRA.

SERVICE PROVISION: 3.2



Service provision by CSOs deteriorated in 2018, mainly because of the ongoing funding crisis. Funding, especially from donors, has decreased since the country transitioned from a least developed country (LDC) to a lower middle-income country in 2015, prompting donors to conclude that the country needs less international funding and the government wants to be self-reliant.

CSOs continue to provide critical services in areas such as social and economic development, essential health care, informal education, disaster management, law, environment, gender, governance, rural infrastructure, and community capacity building. Often, CSOs provide better health care, education, water, and sanitation services than the government as their outreach to the community is well-structured, and the fulfillment of

project objectives helps to ensure the continuation of project funding. The number of CSO programs and services for youth—who now constitute more than 50 percent of the population—has grown dramatically. Additionally, many CSO projects focus on women’s empowerment to fulfill the SDG on gender equality. Many CSO initiatives also address the increasing prevalence of sexual harassment in the country. Such projects include self-defense training for women and employee orientation on sexual harassment prevention. CSOs also offer women’s entrepreneurship programs on ICT and financial technology to diversify women’s sources of income.

A coalition of eleven CSOs including BRAC, BLAST, Friendship, Madaripur Legal Aid, MOVE, Ain O Salish Kendra (ASK), and Nagorik Uddyug, in collaboration with the Center for Peace and Justice of BRAC University, provides paralegal training to community leaders across the country to create a new generation of grassroots legal information delivery groups. However, a shortage of facilitators forced them to reduce the number of training programs from five to two.

Under the government’s supervision, INGOs and local NGOs provide critical services to Rohingya refugees, including food, shelter, education, basic health care, and water and sanitation. The Joint Response Plan (JRP) for the Rohingya refugee response, which covers the period March-December 2018, was only 39 percent funded as of October 2018, with \$374 million received out of the \$951 million needed.

Most CSOs do not charge fees as their target groups are unable or unwilling to pay for services; the public generally expects CSO services to be free. Large organizations such as BRAC generate revenue through social enterprises, such as dairy, clothing, and food projects. BRAC also charges small fees for its informal primary schools, and its subsidiary Aarong has established a chain of retail handicraft stores. Training centers and CSOs with extra office space generate revenue by renting out those spaces and facilities to other CSOs or firms. Small CSOs in rural areas have limited abilities to expand their service provision as they lack resources and struggle to engage qualified staff.

The government does not formally recognize the role CSOs play in the provision of social services, but allows them to operate in accordance with the laws in the country.

SECTORAL INFRASTRUCTURE: 3.6

The infrastructure supporting CSOs in Bangladesh did not change significantly in 2018.

CSOs have access to different training centers such as BRAC’s Center for Development Management (CDM) and Training and Resources Center (TARC) in Savar; Rangpur Dinajpur Rural Service (RDRS) in Rangpur; and Bangladesh Rural Development Academy (BARD) in Comilla. However, private organizations and corporate bodies now also use these resources, placing strain on them. Furthermore, the cost of using such centers has increased. Alternative venues for training like hotels are either expensive or not properly equipped. Government-owned training venues are also hard to use due to lengthy bureaucratic procedures and the need to schedule around

government use. Co-working spaces and shared offices are becoming popular among organizations that cannot afford to rent entire offices, especially in Dhaka.

A number of training and management institutes were established over the past few years to provide capacity-building assistance to CSOs. Donor agencies are using them as third-party trainers of their partners. At the same time, however, many capacity-building trainings were canceled in 2018 because of the scarcity of accredited trainers and subject experts. Organizations working in the preventing/countering violent extremism (P/CVE) sector, for example, are struggling to find subject experts and proper resources, including necessary program monitoring tools for their project activities. They usually adopt and customize tools and techniques developed for different country contexts.

Local grant-making organizations like BRAC, Manusher Jonno Foundation (MJF), and the START Fund receive funding from donors and then redistribute it among local CSOs. Some CSOs have expressed criticism of these intermediaries' distribution mechanisms and selection processes. At the same time, many donors prefer to work with such organizations rather than small or new CSOs, due to the former's enhanced organizational capacities.

Some platforms like Association of Development Agencies in Bangladesh (ADAB) and Shushashoner Jonno Procharavijan (SUPRO) exist to promote the interests of CSOs. NGOs share information about their activities at monthly NGO coordination meetings hosted by the DCs. Otherwise, exchange of information among NGOs or other CSOs is rare.

During the parliamentary elections in 2018, many organizations that are relatively small in size faced difficulties training observers due to resource constraints. Large-scale organizations and coalitions that had resources to provide technical assistance did not extend support to smaller CSOs. Reasons might include a competitive attitude among large CSOs and INGOs, or fear of government reprisal that could result in losing government approval to observe the elections or being forced to cancel ongoing projects.

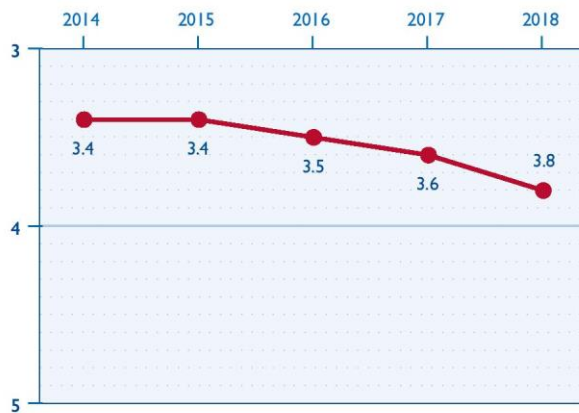
The government works closely with NGOs and INGOs to materialize the Bangladesh Climate Change Resilience Fund and achieve the UN SDGs, especially those related to primary health and education.

SECTORAL INFRASTRUCTURE IN BANGLADESH



PUBLIC IMAGE: 3.8

PUBLIC IMAGE IN BANGLADESH



The public image of CSOs worsened in 2018. In recent years, CSO-bashing by the public and the government has increased. A growing portion of the public thinks that CSOs are too idealistic or elitist, do not support or respect their beneficiaries, and are only driven by self-interest or personal promotion. Meanwhile, politicians see CSOs as potential rivals for power. While beneficiaries of CSOs' work have a somewhat positive image of those CSOs, the rise of religious fanaticism and continuous propaganda by extremists have hampered their outreach. At the same time, CSOs do not believe that they get sufficient recognition for their contributions to society.

Since attaining lower middle-income country status, the government has started displaying an authoritarian tendency towards NGOs. Before the national elections in 2018, the government alleged that many CSOs or members of civil society were involved in an anti-government conspiracy, and that they support or sympathize

with corrupt opposition parties or coalitions. In January, it was reported that Prime Minister Sheikh Hasina called members of Bangladesh’s civil society the “dustbin of politics and power” who are “always ready to sell themselves to evil forces... These people are attention-seekers.” CSOs that do not have good relationships with field-level government offices find it difficult to operate, as the authorities may create barriers in order to interfere in their operations, such as withholding necessary documentation or harassing CSOs.

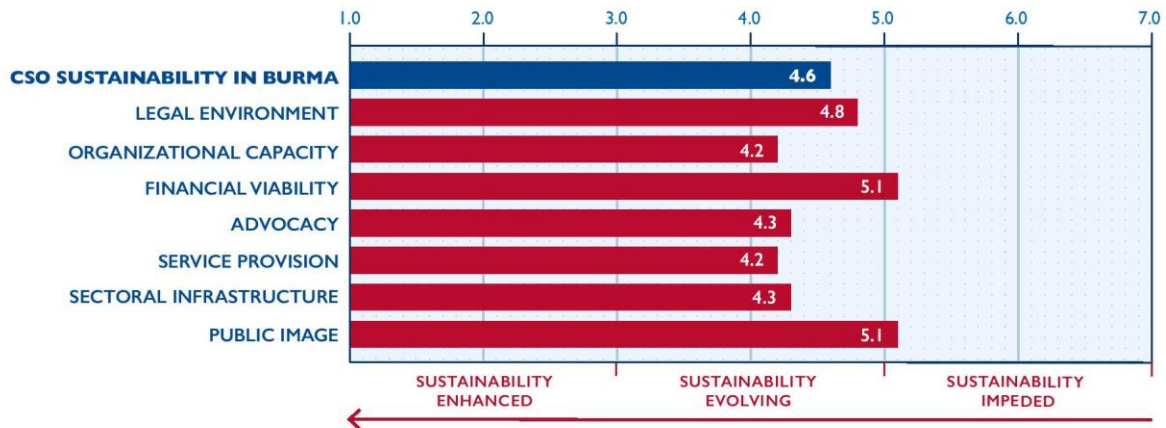
CSOs’ relationship with the media is mixed. Both the private and state media prefer to publish the government’s development news rather than stories about CSO initiatives. CSOs also refrain from publishing their news, particularly on governance challenges or research on abuses of power, corruption or rights violations, because they fear persecution or harassment.

Registered NGOs are required to submit annual reports to the NGOAB, along with audit reports and financial statements. CSOs registered with other entities are entitled to follow similar rules, although they are a bit more relaxed. The information is supposed to be public; some CSOs publish it online, and anyone can request it using the RTI Act.

BURMA

Capital: Naypyidaw
Population: 55,622,506
GDP per capita (PPP): \$6,300
Human Development Index: Medium (0.578)
Freedom in the World: Partly Free (31/100)

OVERALL CSO SUSTAINABILITY: 4.6



The democratization process in Burma—which began in 2012 when the country shifted from a military regime to the U Thein Sein government—reached a milestone with the 2015 landslide victory of the National League of Democracy (NLD). When the NLD assumed power in 2016, it became the country’s first civilian-led government in decades. During its first two years in office, the NLD faced many challenges in implementing reforms, including the fact that the military retains control of 25 percent of seats in parliament, as well as three powerful ministries—the Ministry of Home Affairs (MOHA), Ministry of Immigration, and Ministry for Border Affairs. In addition, much of the civil service is dominated by ex-military officials who have resisted change, including efforts to engage with CSOs on policy issues. Judicial reform has been hindered by outdated laws and weaknesses in the rule of law. In 2006, the government officially proclaimed the new city of Nay Pyi Taw (Naypyidaw) the capital of the country. Yangon, also called Rangoon, continues to be the largest city in Burma, and the remote location of Nay Pyi Taw inhibits CSO access to the government.

Corruption and bribery continue to be widespread issues. Transparency International’s Corruption Perceptions Index (CPI) score for Myanmar worsened from 30 in 2017 to 29 in 2018, placing it at 132nd out of 180 countries. However, the civilian government took steps to reduce corruption in 2018. Such actions included taking punitive action against a high-level official of the Food and Drugs Administration (FDA) and prosecuting judges in Yangon Division under the Anti-Corruption Law of 2013. Moreover, President Win Myint, who came to power in March, made changes to the composition of the Anti-Corruption Commission (ACC) in mid-2018. The ACC prosecuted several judges from the Yangon Division and a police officer during the year. The new ACC Chair and Commissioner are aware of the role civil society can play in combating corruption and therefore have engaged with CSOs and other actors to implement public awareness activities and gather feedback on amending the Anti-Corruption Law and bylaws. However, only a few CSOs, like Access to Justice Initiative (A2JI), Myanmar Alliance for Transparency and Accountability (MATA), and Spectrum - Sustainable Development Knowledge Network, are engaged in these efforts due to security concerns and technical barriers.

The peace process stagnated in 2018. Varying interpretations of the National Ceasefire Agreement (NCA) by the military and the Ethnic Armed Organizations (EAOs) led the two prominent EAOs, Karen National Union (KNU) and Restoration Council of Shan State (RCSS), to suspend their participation in the process at the end of the year. Although CSOs play a limited formal role in the peace process, the official CSO Forum organized issue-based dialogues to allow civil society to contribute to the peace process, while other CSO networks with members primarily hailing from conflict areas continued to meet and coordinate on peace advocacy. Meanwhile, other CSOs, especially ethnic women’s groups, seek to contribute to and actively participate in various areas of the peace

process, including discussions and advocacy towards stakeholders in the peace process (namely EAOs and government) about reforms needed for improved health, education, livelihood, natural resource management, and justice and accountability.

Overall CSO sustainability remained unchanged in 2018. The legal environment governing CSOs in Burma deteriorated, as rights-based activists and organizations experienced more state harassment, especially by the military and military-controlled ministries. At the same time, the sector’s organizational capacity improved due to the availability of donor-funded capacity-building opportunities and increased access to information and communications technologies (ICT). The infrastructure supporting the sector also improved slightly with the establishment of new resource centers and increased coordination and networking among CSOs.

As of 2018, 5,076 local CSOs and 183 international non-governmental organizations (INGOs) were registered under the MOHA at the national (union) level. In addition, according to MOHA, 2,949 CSOs were registered at state and regional levels. CSO registration with the government is voluntary, and unregistered CSOs also operate across the country. The Local Resources Center (LRC) website includes a database with organizational profiles of 929 CSOs working in different states and regions, of which 68 are based in Yangon and 26 are based in Mandalay.

The largest national-level CSOs are typically based in Yangon and Mandalay and reach out to other states and regions across the country. After Cyclone Nargis devastated Burma in 2008, many CSOs focused on humanitarian response to fill the gaps in government services. In 2012, CSOs expanded their activities to encompass development and actively participated in the country’s reform process. Currently, many CSOs engage in policy advocacy.

LEGAL ENVIRONMENT: 4.8



The legal environment governing CSOs in Burma deteriorated in 2018, as rights-based activists and organizations experienced increased state harassment, especially by the military and military-controlled ministries.

The government became more suspicious of CSOs and activists and employed various strategies to pressure CSOs in 2018. Over sixty people were arrested and prosecuted under the Criminal Defamation Law, Telecommunications Law, Unlawful Associations Act, Official Secrets Act, and Peaceful Assembly and Peaceful Procession Act (PAPPA). In addition, at least forty-seven CSO leaders and activists were prosecuted in 2018 under the PAPPA for their criticism of the peace process and advocacy to evacuate people from the conflict zone

in Kachin. Another three CSO leaders faced lawsuits filed by the military under the PAPPA for supporting protests against the armed conflict in Kachin State in 2018. Seventeen students and youth were arrested for supporting a similar protest in Yangon and faced civil lawsuits and criminal prosecution by the police under the Ministry of Home Affairs (MOHA). Most prosecutions were initiated by ministries under the management of the military, including MOHA. According to a study by Human Rights Watch titled “Dashed Hopes: Criminalization of Peaceful Expression in Myanmar,” at least forty-three journalists had been arrested as of October 2018.

CSOs are mainly governed by the Association Registration Law (ARL), which was enacted in 2014. While the ARL is considered a progressive law, implementation at the sub-national level is inconsistent. Many CSOs still find it difficult and time-consuming to register. The government at all levels has denied registration to CSOs working on peace, gender, land rights, environmental issues (especially those involved in the multinational Extractive Industries Transparency Initiative, EITI), and election monitoring. There are no relevant line ministries for peace and human rights work conducted by CSOs, and other ministries are not aware that such CSOs require recommendation letters to obtain registration under the ARL. Despite the law stating that registration is “voluntary,” many authorities at the state and regional levels insist that CSOs be registered, and CSOs operating without registration

face many forms of harassment. For example, most local authorities request that CSOs register before they can organize events.

The ease of CSO operations depends on relationships with local governments and the sensitivity of the issues being addressed. The work of CSOs in Mon and Kayin states in southeastern Burma, for instance, is comparatively smoother than in other parts of the country, as the government authorities in these areas have positive working relationships with CSOs and have shown some support to CSO activities. Some state and regional governments have issued official letters to CSOs, local authorities, and event venues to inform them that CSO events require government permission. CSOs from Kayah and Mandalay must obtain permission from the local government at least two weeks in advance when organizing events such as awareness-raising events, trainings, and workshops. There are also reports of local authorities denying CSOs permission to organize events if their registration indicates that they work on land rights, human rights, gender, or the peace process.

The taxation law clearly provides that all income allocated to development and humanitarian related operations and activities is exempt from taxation. All CSOs may seek and receive funding from international entities. However, only registered CSOs can do so in the name of their organizations. Banks request additional documentation on the source of funding and details of programs over EUR 100,000 from CSOs trying to open accounts for foreign funds or deposit foreign funds.

In 2018, more legal aid services were available in large cities, including Yangon, Mandalay, and Taunggyi. Most legal assistance is located in the major cities, rather than secondary cities. Legal aid is typically provided by CSOs including the Legal Aid Network, Legal Clinic Burma, and Free Legal Aid Burma, as well as various international projects. This assistance, however, is limited due to human and financial resources of legal networks and legal aid groups.

ORGANIZATIONAL CAPACITY: 4.2

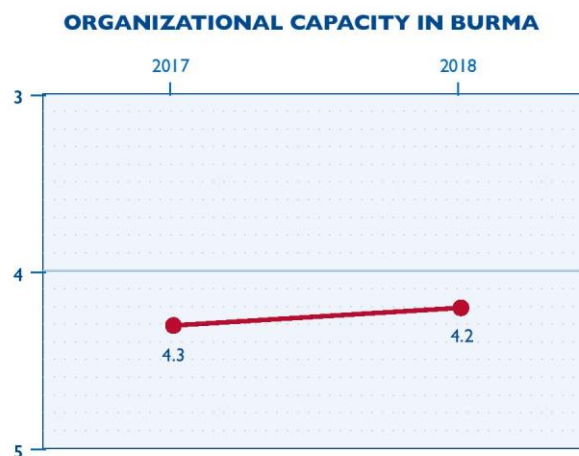
The organizational capacity of CSOs improved in 2018 due to the availability of donor-funded capacity-building opportunities and increased access to ICT.

Only a few of the organizations that operate in ethnic minority and conflict areas are experienced. Many CSOs from ethnic minority regions, including Mon, Kayin, and Rakhine states, have benefited from technical assistance offered by INGOs, national CSOs, and other CSOs, but they have limited opportunities to implement what they have learned due to insufficient funding. In 2018, many new CSOs and ethnic minority organizations were established that need capacity building and organizational development.

Many CSOs conduct assessments and surveys in the communities they serve. For example, LRC conducted a CSO mapping in Rakhine state in 2018. CSOs also mobilize communities through public campaigns, awareness-raising events, and trainings. Some community members in conflict areas, such as northern Shan, Rakhine, and Kachin States, are reluctant to participate in CSOs' initiatives. At the same time, reliance on international funding has resulted in perceptions that projects are more donor-driven rather than community-driven.

INGOs and donors have developed mechanisms to develop the organizational capacities of CSOs. These opportunities encourage CSOs to develop the capacities of their staff and ensure that the needed policies and systems are in place to access donor funding. Donors' preference for a consortium approach over the last few years has resulted in INGOs increasingly collaborating with national CSOs. In turn, the national CSOs increase the capacity of their staff and enhance their organizational development. Some donors also provide funding to larger CSOs to provide smaller CSOs with grants for their organizational development.

Some CSOs access external expertise—including through the USAID-funded Civil Society and Media Project implemented by FHI 360—to advance their organizational capacities, for example to develop strategic action plans



and policies on issues such as gender, sexual harassment, and child protection. In 2018, Gender Equality Network (GEN) conducted an assessment of the organizational capacities of women-focused CSOs that identified key areas to strengthen these organizations, such as leadership and financial management.

Most national-level and medium-sized CSOs have strategic plans with clear visions and missions, although these are followed to various extents. Smaller CSOs and newly formed CSOs, on the other hand, lack the capacity to develop strategic plans as they are still developing other policies or even their articles of association.

CSOs understand the importance of strong internal management and are generally aware of the need to train a new generation of leaders to sustain their organizations. Large CSOs have governing bodies including boards of directors and management teams led by executive directors and have written policies and procedures like codes of conduct and policies on procurement, child safeguarding, gender, non-discrimination, finance, administration, and human resource management. Smaller CSOs, newly-formed CSOs, and CSOs in remote areas often lack financial management systems, organizational structures and constitutions, and essential policies such as for financial management and human resources.

Large CSOs tend to have at least fifty paid staff members, as well as volunteers or internship programs to mitigate the effects of staff turnover. Most small, newly-formed, and remotely-based CSOs, on the other hand, depend mainly on volunteers to run their operations. Staff retention and frequent turnover is a continuing concern, as staff members from large CSOs are often recruited by INGOs and United Nations (UN) agencies, which offer higher compensation and many fringe benefits, resulting in a continuous need to retrain and build the capacity of new staff.

Faith-based organizations (FBOs), especially in regional areas, generally have lower capacity. Some of them also lose competent staff to national-level CSOs, INGOs, and UN agencies.

National-level and medium-sized CSOs based in larger cities and towns generally have access to ICT. CSOs in rural and remote areas have less access to ICT due to poor internet connections. CSOs' access to ICT increased in 2018 due to better telecommunications capacity in the country, and increased use of mobile phones for social media and applications. Some CSO staff also received digital security training from the INGO Phandeeayar. Some of the trained CSOs use ICTs to conduct online hate speech monitoring, fundraising, and social media campaigning.

FINANCIAL VIABILITY: 5.1



CSO financial viability did not change significantly in 2018.

In 2018, international donors such as the World Bank, Asian Development Bank, multi-donor funds, the European Union (EU), the Norwegian Embassy, and the governments of Japan, Germany, and Denmark disbursed \$1.33 billion in Official Development Assistance (ODA) to Burma. Most ODA goes directly to the government or UN agencies, but many CSOs receive funding from bilateral donors, such as USAID, the Swiss Agency for Development and Cooperation, and the United Kingdom's Department for International Development, as well as UN agencies and INGOs. Any cessation of donor funding would likely result in the shutdown of substantial CSO operations as there are few domestic funding sources available.

Most international funding benefits national-level CSOs based in cities, including Yangon, Mandalay, Taunggyi, Kayin, Mon, and Kachin, since they have greater organizational capacities. Some smaller, local-level CSOs also access funding through national-level CSOs and intermediary support organizations (ISOs), but in general, they are still in need of additional financial and technical support.

CSOs' access to funding is affected by changes in donor interests or geographical coverage. For example, some CSOs received less donor funding in 2018 due to shifting interests toward peace processes and engagement in

conflict areas. For example, many livelihood and youth empowerment programs in the Dry Zone region (Magway) now struggle to receive funding. Few international donors provide funding for institutional costs.

The government does not provide funding to local CSOs. Only a few domestic funding sources are available. For example, the Pyit Taing Thaug foundation was established through seed funding raised locally for health services. CSOs struggle to access corporate funds because most companies directly implement their corporate social responsibility (CSR) activities, which are often favorable to the government, rather than supporting CSOs' efforts. Moreover, while Myanmar was ranked ninth in the Charities Aid Foundation's World Giving Index in 2018, individual giving to CSOs is limited because most people prefer to donate to social activities such as funeral associations, or to monks and monasteries. Further, the public lacks awareness of the role of CSOs in development and nation building.

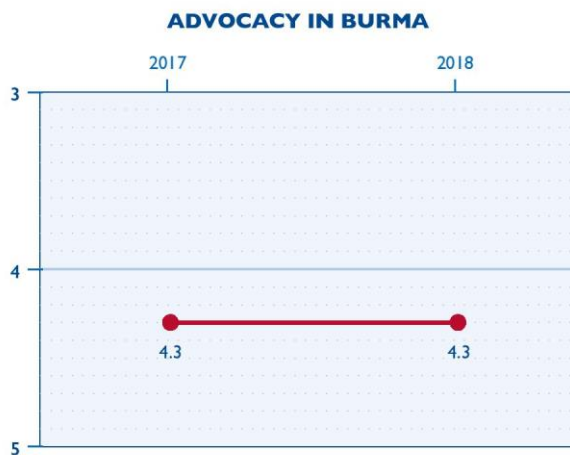
Some CSOs engage in income-generating activities to be more financially sustainable. Some of these activities include room rentals and consulting services to other CSOs, as well as selling local products. However, most of these activities have not been fully successful as CSOs lack business knowledge to compete with commercial products and services. LRC, Capacity Building Initiative, Phoenix Association, and women's groups in ethnic minority areas are beginning to engage in income-generating activities, but such activities generally provide minimal contributions to organizations' overall budgets.

Many CSOs understand the need to establish strong financial management systems due to their reliance on international funding sources. National-level CSOs, in particular, have established financial policies, financial management systems, and audits, and employ financial professionals. Some small CSOs and community-based organizations (CBOs), on the other hand, still have weak financial management systems.

ADVOCACY: 4.3

CSO advocacy did not change in 2018.

The government allows limited formal advocacy in the capital, which is geographically isolated creating physical and political barriers for CSOs to access to policy makers in the executive and parliament. The government does not arrange formal consultations with CSOs, but occasionally selects a few CSOs to participate in policy dialogues on an ad hoc basis. Generally, the government favors particular CSO networks for further engagement, while excluding others. In 2018, government counterparts invited some CSOs to events aimed at developing the Myanmar Sustainable Development Plan (MSDP). At other events organized by the Union Attorney General Office and the Ministry of Social Welfare, Relief and Resettlement, CSOs worked with government counterparts to develop the National Strategic Action Plan for the judicial sectors and the National Disaster Risk Reduction Plan.



Some CSOs working on behalf of persons with disabilities participated in the drafting process for the bylaw for the Rights of Persons with Disabilities Law, gathering input from a larger CSO network for persons with disabilities. The bylaw was approved in 2018, but only reflected 10 percent of CSOs' recommendations. The most concerning provision to CSOs is that any person with a disability must travel to the Department of Social Welfare or the Ministry of Health and Sports to be verified as a "person with disability."

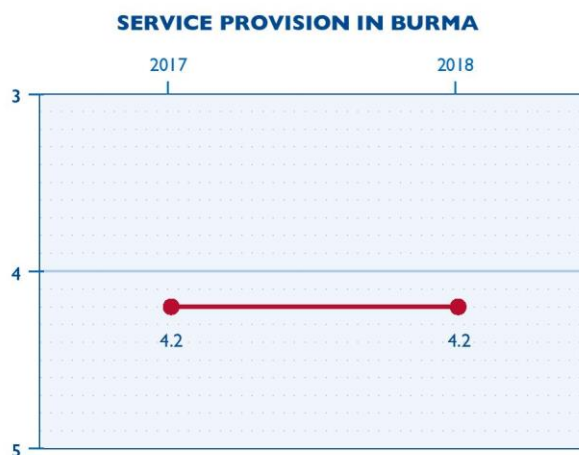
CSOs also organized several advocacy events with government counterparts and parliamentarians related to legal and policy reforms in 2018. For example, some parliamentarians participated in GEN's 16 Days of Activism Against Gender-Based Violence, AJ2I's International Anti-Corruption Day, and International Human Rights Day, which is organized by A2JI and the EU-funded Promoting Equitable, Accountable Civic Engagement in Myanmar (PEACE) project. However, only registered CSOs are permitted to join such events in the capital.

Some CSOs engaged with the parliament and Ministry of Information on the drafting of the Right to Information Law during 2018, which was still under development at the end of the year.

Burma's formal peace process was largely inactive in 2018. Only a few CSOs have been invited to engage formally in the peace process, limiting the diversity of voices who participate in this process. Many other ethnic minority organizations are excluded. These organizations instead address issues such as ethnic rights, land rights, and environment-related issues through CSO consultation meetings in Kayin state.

National-level CSO networks and coalitions actively engaged in advocacy in 2018. As a result of advocacy by Alliance for Gender Inclusion in the Peace Process (AGIPP) and other women's organizations, greater numbers of women attended the single meeting of the Union Peace Conference in 2018. A2JI's advocacy led to the reform of the ACCM. A2JI also has conducted research and surveys on access to justice in the country, and organized advocacy events with key stakeholders based on research and survey results. Efforts by the Myanmar Civil Society Partnership for Aid and Development Effectiveness (MCPAD) helped to secure a seat for CSOs to participate in the development of the MSDP. MCPAD also has linkages with the Asia and the Pacific Regional CSOs platform and to global-level CSOs engaged in development and aid effectiveness. These international channels have enabled more effective advocacy and dialogue with government counterparts.

SERVICE PROVISION: 4.2



CSO service provision did not change significantly in 2018.

CSOs continued to play a significant role in service provision in Burma and expanded into new service sector areas in 2018, in part due to financial opportunities from the EU and USAID. For example, CSOs engaged more in judicial reform since this is a priority for the new government. Federalism is also a new interest for CSOs working on the peace process and social cohesion. CSOs also started to provide digital security training due to growth in ICTs and increased internet connectivity in the country. CSOs also implemented new services in peace building, civic education, anti-corruption, election monitoring, governance, and research. Awareness raising on

environmental issues, particularly waste management and community forestry, also gradually increased. CSOs also provide humanitarian assistance during natural disasters and provide livelihood and other assistance to persons with disabilities.

CSOs increasingly utilize advanced technology, like mobile applications during data assessments and surveys, which eliminates the need to recruit field interviewers for data collection.

Some national-level and ethnic minority CSOs that implement their project activities in conflict areas have improved their services considerably as a result of the increased financial and technical support available from INGOs and donors.

Many CSOs emphasize inclusion and accountability in the design of their programs. Most CSOs conduct participatory needs assessments or surveys before designing and implementing programs. They engaged more proactively with communities in 2018, such as providing voter education and election monitoring.

CSO services are available to beneficiaries regardless of race, religion, or ethnicity since most well-established CSOs have constitutions and codes of conduct prohibiting such discrimination. CSOs provide trainings and workshops to government officials on social accountability, governance, and human rights. CSOs also provide services, such as assistance in developing strategic plans and gender policies, to other CSOs.

CSOs still have limited knowledge of market demand and the ability of constituencies to pay for their products. CSOs rely on donor-funded projects to provide services; once the funding stops, the services cannot be sustained.

Only a few organizations that implement income-generating programs for persons with disabilities, such as Myanmar Independent Living Initiative (MILI), are able to recover costs for their services.

The government sometimes views CSOs as anti-government, and rarely values the role they play in service provision.

SECTORAL INFRASTRUCTURE: 4.3

The infrastructure supporting the CSO sector improved slightly in 2018. New resources were established and coordination and networking among CSOs increased.

Many resource centers were established in 2018 by ISOs and CSOs across the country, especially in metropolitan areas. For example, Justice Centers funded by the EU and implemented by the British Council through the MyJustice program in Mon, Kayin, northern Shan, and Mandalay began providing legal resources and pro bono legal aid to CSOs. However, few CSOs are aware of these resource centers, and some CSOs in ethnic conflict regions are unable to access them. As a result, many CSOs have developed new mechanisms to provide other CSOs with information and other resources, such as mobile application services and the distribution of

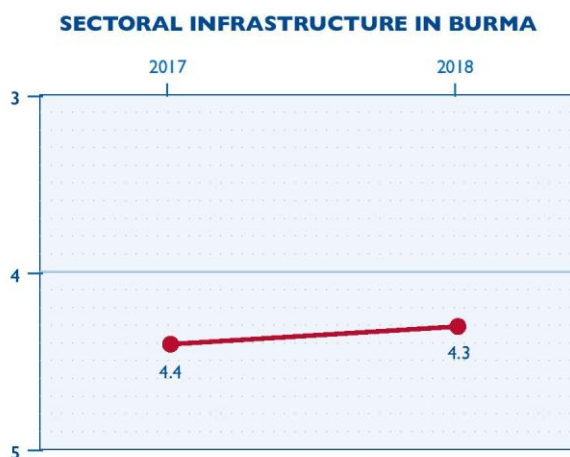
information, education, and communication (IEC) materials. For example, DanChurchAid-Norwegian Church Aid (DCA-NCA) completed a mine risk assessment and mapping with a mobile application linked to Google Maps that it shared with CSOs in Kayin state. The MyJustice Program developed an application that provides law-related information. Equality Myanmar developed the Open Hluttaw (Parliament) application, which provides information about parliament and members of parliament (MPs) and allows users to communicate with MPs.

Many national-level CSOs provide sub-grants to CSOs across the country. For example, the EU-funded PEACE project, jointly implemented by Helvestas Myanmar, Partnership for Transparency Fund, and LRC, and the Rights for All (RfA) project, which is carried out by DCA-NCA, Equality Myanmar, and LRC, provided over 300 sub-grants. Paung Ku and the Tharthi Myay Foundation also provide sub-grants to local CSOs. Some INGOs and foreign donor-funded projects, including the USAID-supported Civil Society and Media Project (implemented by FHI 360), Pyoe Pin, and the National Democratic Institute (NDI), also provide sub-grants to CSOs. Some donor agencies allow unregistered CSOs or small CSOs to seek funding and technical assistance indirectly through ISOs, but only a few INGOs provide funding to unregistered CSOs directly. Some ISO programs cover remote and conflict areas.

Several national-level CSO networks and coalitions became stronger in 2018 through regular meetings and communications. They include GEN, Women Organization Network (WON), MCPAD, Land Core Group (LCG), Land in Our Hand (LIO), MATA, A2JI, AGIPP, Myanmar Lawyer Association Working Group, and Human Rights Defender Forum (HRDF). However, other networks still struggle to grow their memberships. Coordination among different thematic platforms is limited as there is a lack of knowledge of the benefits of coalition building.

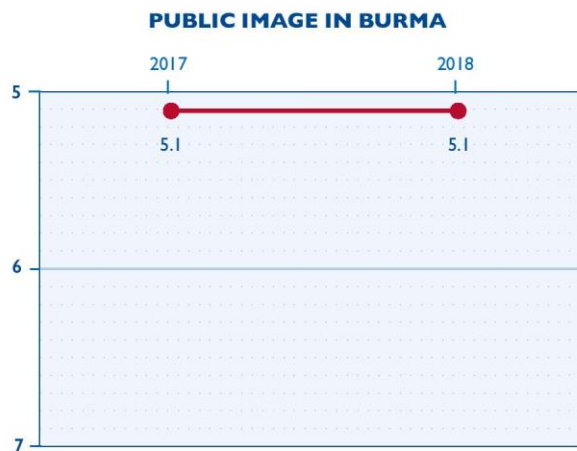
National-level CSOs and resource centers offer many capacity-building opportunities in larger population centers, but there are few opportunities in more remote states and regional areas. Trainings cover a wide range of topics, including organizational development, project management, report writing, monitoring and evaluation, proposal writing, civic engagement, human rights, voter education, anti-corruption, gender, women's empowerment, and strategic action plans. Few trainings are delivered in the languages of the ethnic minority states.

Some intersectoral partnerships exist between CSOs and different sectors. For example, the USAID-funded Civil Society and Media Project provides opportunities for collaboration between CSOs and media. In 2018, CSOs and private media collaborated closely on issues such as right to information and hate speech monitoring. For example, the Right to Information Law was drafted in the parliament with the participation of CSOs, media, the now disbanded Legal and Special Affairs Commission, and the Ministry of Information. The government and the private



sector have collaborated with CSOs on humanitarian assistance in natural disasters. For example, KBZ Airlines provides free transportation for humanitarian goods to be delivered to flooded areas. However, partnerships with the private sector remain limited to date. Only the Myanmar Centre for Responsible Business (MCRB) engages with the private sector on business accountability. In addition, neither the government nor the private sector collaborates with CSOs on development, especially on environmental issues, human rights, peace, or policy-level issues.

PUBLIC IMAGE: 5.1



The CSO sector's public image did not change in 2018.

Some activities and programs of CSOs are now broadcast on TV, online, and on the radio. For example, some online TV channels like DVB and MNTV broadcast roundtable policy dialogues organized by CSOs. Some community radio stations were established in ethnic minority areas, namely Mon, Kayin, and Shan states, through collaboration between CSOs and media so that news can be broadcast in ethnic minority languages. State-owned media, on the other hand, remains reluctant to create a space for CSOs or engage with CSOs.

There is no reliable data on public perceptions of CSOs in the country. However, some segments of the population have unfavorable views of CSOs, believing that they work for financial gain instead of pursuing

development and humanitarian missions. In 2018, the reputation of CSOs was tarnished somewhat as fake CSOs received funding meant for humanitarian and development work and used them for personal interests. News about these fake CSOs was widely shared through online media. Some are believed to have been formed specifically to damage the reputation of CSOs and their leaders, especially those working on human rights.

The increasing number of arrests of CSO activists and the continued highly restrictive and controlling legal environment for CSOs, both described above, indicates that the government views CSOs as troublemakers and prefers that CSOs only implement service provision programs, and not engage in policy dialogue. The low level of private sector support to CSOs indicates that the private sector has an unfavorable impression of CSOs.

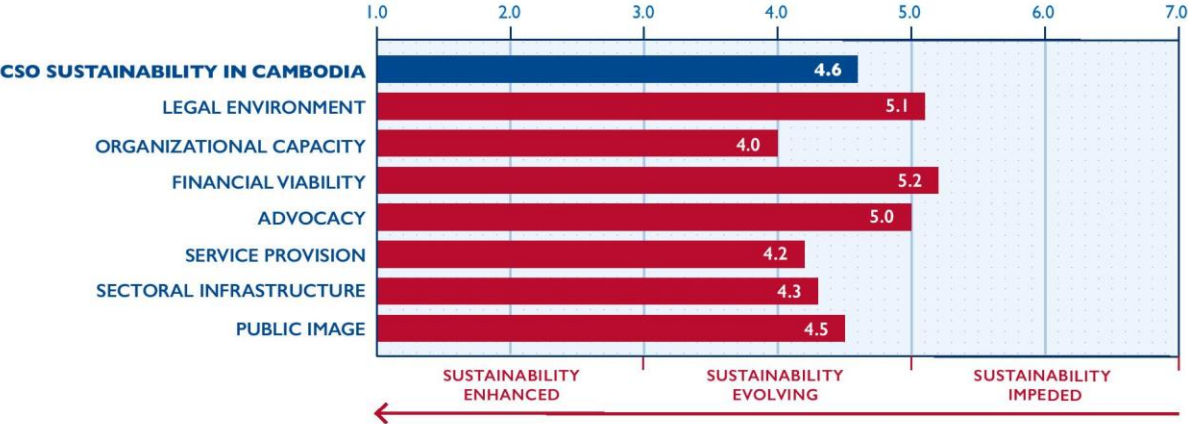
CSOs have weak public relations skills, but increasingly use social media, such as Facebook, to publicize information about their work.

Accountability practices among CSOs and networks weakened in 2018. The Accountability and Learning Working Group (ALWG), a major accountability network, did not arrange regular events or technical support to CSOs during the year due to lack of funding and INGO support. There is no sector-wide accountability standard or mechanism. Some CSOs have self-regulatory frameworks or codes of conduct or follow the international humanitarian charter, but many new CSOs are not aware of these tools.

CAMBODIA

Capital: Phnom Penh
Population: 16,449,519
GDP per capita (PPP): \$4,000
Human Development Index: Medium (0.582)
Freedom in the World: Not Free (30/100)

OVERALL CSO SUSTAINABILITY: 4.6



CSOs in Cambodia continued to operate in a tense political environment in 2018. In November 2017, the Supreme Court banned the Cambodia National Rescue Party (CNRP), the major opposition party in the country, for allegedly being part of a so-called Color Revolution to overthrow the current government. In July 2018, general elections were held that resulted in the ruling party holding all seats in the National Assembly. Many international observers considered the elections to be deeply flawed. According to the Third Annual Report of the Fundamental Freedoms Monitoring Project (FFMP)—a joint initiative of the Cambodian Center for Human Rights (CCHR), the Cambodian Human Rights and Development Association (ADHOC), and the Solidarity Center (SC), with technical assistance from the International Center for Not-For-Profit Law (ICNL)—violations to the freedoms of association, assembly, and expression dramatically increased in the months leading up to the national elections. The CIVICUS Monitor noted that “the government moved to silence all forms of dissent in the country by systematically arresting and convicting political activists and human rights activists.”

The Ministry of Interior (MoI) arbitrarily blocked fifteen news websites for two days in July—the day preceding and the day of the national election. These news outlets included Voice of Democracy, Voice of America, Radio Free Asia, Vayo FM Radio, Monorom.info, The Independent Network for Justice, and the Phnom Penh Post, among others. The stated reason for blocking these websites was that it was White Day, the twenty-four-hour period prior to elections during which political parties are prohibited from campaigning. However, Article 72 of the Law on the Election of Members of the National Assembly (LEMNA) places no restrictions on the media. As noted in the Third Annual Report of the FFMP, “media outlets generally considered as being ‘pro-government’ (such as the Khmer Times and Fresh News Asia) were not blocked and remained accessible during this period. When asked about the blocking of websites, a MoI spokesperson stated that ‘[f]rankly speaking, we cannot control the concerned media outlets. That’s it.’”

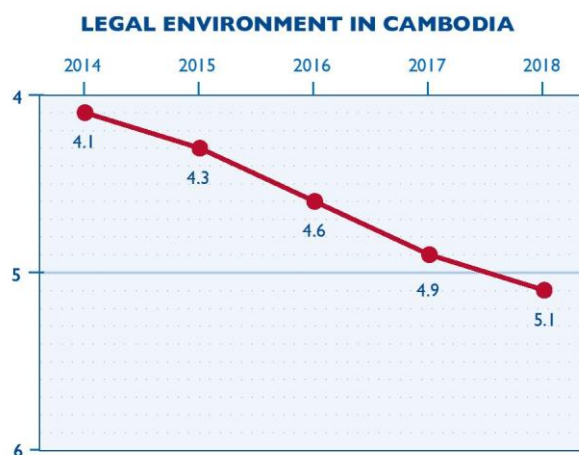
In response to these alarming developments, the international community placed sanctions on Cambodia. In June and July 2018, the US barred high-ranking government officials from the US and blocked their assets and property, while in October, the European Union (EU) informed Cambodia that it would lose its special trade status, which allows Cambodia to sell almost any goods to EU countries tariff-free.

Results from the FFMP’s CSO/Trade Union Leader Survey showed a decline in the number of CSO and trade union leaders who believe the Royal Government of Cambodia (RGC) recognizes them as competent partners in Cambodia’s development. In 2018, only 36 percent of respondents indicated that the RGC recognized them as competent partners, compared to 62 percent of respondents surveyed in 2016 and 48 percent in 2017.

The overall sustainability of CSOs in Cambodia deteriorated in 2018. The shrinking of civic space had a negative impact on the legal environment in which CSOs operate, as well as CSO advocacy and public image. Organizational capacity also declined during the year.

By the end of 2018, there were approximately 6,000 registered local and foreign associations and non-governmental organizations (NGOs) in Cambodia, 5,523 of which are local. In 2018, 289 new local organizations were registered. In addition to associations and NGOs, there are thousands of community-based organizations (CBOs), communities, and networks. Some of these groups register formally with relevant ministries, while others operate informally. Common fields of focus for both formal and informal CSOs include economic empowerment of communities, environmental protection, and issue-based organizing.

LEGAL ENVIRONMENT: 5.1



The legal environment governing CSOs deteriorated moderately in 2018, as the government took additional steps to shrink civic space.

The legal framework governing CSOs includes the Constitution of Cambodia, the Cambodia Civil Code of 2007, the Law on Associations and Non-Governmental Organizations (LANGO), the Tax Law, the Labor Law, and various regulations and *prakas* (proclamations). Several amendments were introduced to the Constitution in February 2018 that threaten the freedoms of association, assembly, and expression and provide a framework to amend the legal framework in a restrictive manner. For example, Articles 42(2) and 49(2) were amended to require political parties and Khmer citizens to “uphold the national interest” and refrain

from “conduct[ing] any activities which either directly or indirectly affect the interests of the Kingdom of Cambodia and of Khmer citizens,” respectively.

Under the LANGO, domestic NGOs and associations must register with the Mol. Foreign organizations must register and sign a memorandum of understanding (MOU) with the Ministry of Foreign Affairs and International Cooperation (MoFA); these MOUs must be renewed every three years. According to a quick survey about the registration process conducted by the Cooperation Committee for Cambodia (CCC) among nearly 200 of its members in 2018, government officials have imposed additional registration requirements without a clear basis in the LANGO and interpreted the new requirements differently. Some of these requirements include the need to update CSO bylaws to require annual general assembly meetings. In addition, there has been additional scrutiny of the MOUs that foreign organizations must sign with MoFA. As a result of these ad hoc requirements, the registration timeframe sometimes extends beyond the forty-five-day period stipulated in the LANGO.

Some types of CSOs register with other ministries. For example, faith-based CSOs may register with the Ministry of Cults and Religion, while media and journalism groups may register with the Ministry of Information. Groups that register only with the Mol may have difficulty getting recognition from other ministries. For example, an organization registered with the Mol that works on media programs may have difficulty getting a press card from the Ministry of Information.

Government officials seem to treat CSOs differently both during the registration process and when registering updates to their bylaws, depending on the type of work in which the CSOs are engaged. Organizations that work in collaboration with the government are generally able to complete these processes easily, while some CSOs working on sensitive issues, such as human rights and land disputes, encounter more difficulties in filing updates to their bylaws. This is also the case with foreign organizations renewing their MoUs.

Civic space continued to shrink in the run-up to the elections held in July 2018. Although the government did not formally suspend CSO operations or shut down organizations, authorities monitored and interfered in some CSO meetings and activities on the pretext of security. In addition, many civic and human rights activists were arrested

and convicted during the year. For example, after being arrested in 2016 and kept in pre-trial detention, four human rights defenders from ADHOC were convicted in 2018 of bribing a witness in a case that was widely criticized as being politically motivated.

In March 2018, the government introduced a new provision in Cambodia's penal code that makes insulting the monarchy subject to punishment of up to five years in prison and a \$2,500 fine. As of the time of writing, two individuals had been convicted and sentenced to prison under this provision, while several others had charges pending against them.

In May 2018, the government enacted the Prakas on Social Media and Website Control. It prohibits overly broad categories of speech and empowers ministries to block websites that publish prohibited content, thereby posing a threat to the right to freedom of expression online. Any business or organization, including CSOs, found to be in violation of the Prakas is subject to being shut down.

CSOs in different localities experience varying levels of harassment. For example, CSOs working in Kampong Thom enjoy more partnerships with the government on local development activities, while CSOs in Rattanakiri and other resource-rich provinces are subject to more restrictions on work related to issues such as land disputes and illegal logging. In Kampong Cham, CSOs require permission before they can organize meetings with other CSOs.

A few positive legal developments affecting civil society occurred during the last months of the year. First, the government cancelled an MoI directive from October 2017 that required all associations and NGOs to inform the MoI or local authorities of any planned activities at least three days in advance. Despite the repeal of the prior notification regime, the FFMP has reported that in practice CSOs are still being required to show proof of prior notification before being allowed to carry out activities. In addition, the government issued a new circular in October 2018 that includes CSOs in the law and policy making process. Finally, in November 2018, a decision was made to establish a government working group to address the concerns of CSOs regarding the implementation of LANGO.

Tax compliance is a concern for CSOs, as inadvertent non-compliance can lead to harassment. The Law on Taxation of 1997 provides CSOs with income tax exemptions. A prakas called the Declaration on the Implementation Guidelines on Tax Obligations of Associations and NGOs was issued in April 2018 that clarifies that such tax exemptions apply only to income exclusively received for religious, charitable, scientific, literary, or educational purposes. However, these exemptions require approval from the Ministry of Economy and Finance. Under Clause 10 of this prakas, domestic and foreign associations and NGOs are required to submit "monthly and annual tax declarations" regardless of whether they are exempt from taxes. As noted in the Third Annual Report of the FFMP, the annual tax declaration must be accompanied by several documents including: "information of bank accounts, financial reports, financial agreements, project activity plans, project implementation activity reports and relevant documents." While it is a common requirement for associations and NGOs to submit tax declarations, civil society views the required supporting documents set forth in the prakas—some of which are undefined and many of which do not directly relate to tax issues—as overly burdensome.

Cambodia still lacks tax incentives for individual or corporate donations. Taxation on income from economic activity remains unclear.

In 2018, CSOs and the General Department of Taxation of the Ministry of Economy initiated a Joint Working Group on Taxation. Through this positive collaboration, CSOs raised awareness within the department of the sector's tax challenges and increased CSOs' tax compliance through national and provincial consultations.

CCC, Legal Aid of Cambodia (LAC), and DFDL Cambodia (a private law firm) continue to provide legal consultations and services to CSOs concerning the Tax Law, Labor Law, and the LANGO. Legal services continue to be based mainly in Phnom Penh, though CSOs in the far provinces can receive remote consultations by phone.

ORGANIZATIONAL CAPACITY: 4.0

The organizational capacity of CSOs in Cambodia deteriorated in 2018 as a result of the shrinking democratic space in the country, financial challenges, and the pressing need to comply with taxation and labor regulations.

CSOs continue to find it difficult to build strong constituencies. The public misunderstands the independent nature of CSOs' work, a situation complicated by the fact that some CSOs adjust their efforts to win favor with political parties. NGOs and associations attempt to align their activities with donor programs as well as local community needs. Communities often create their own community-based organizations (CBOs) and other types of CSOs, which are more aligned with community needs.

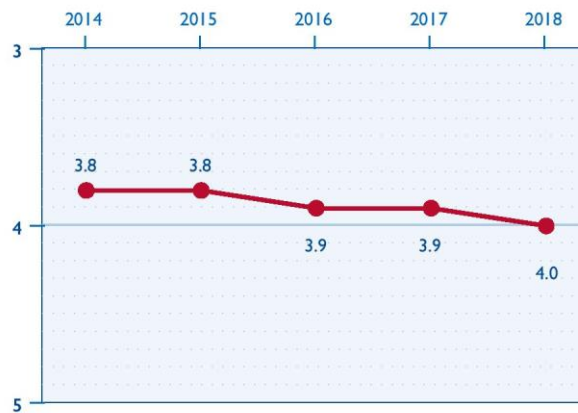
Most large NGOs and associations have strategic plans. It is difficult for smaller organizations to develop strategic plans because of their limited resources, most of which takes the form of project-based funding. Some organizations develop strategic plans to access donor funding but implement them flexibly according to ongoing needs. CSOs have improved their capacity to develop and implement programs and activities as a result of the experience they have gained over the years and the support of donors, partners, and capacity development organizations.

The law generally requires CSOs to identify formal management structures and to develop appropriate bylaws during the registration process. Most CSOs also develop policies to promote compliance with both legal and donor requirements, as well as to ensure quality services. Boards of directors generally provide some strategic direction to organizations, while executive directors undertake key management roles.

CSOs continue to struggle with staff turnover as a result of state harassment, financial shortages, and growing job opportunities in the private sector. At the same time, remaining staff have participated in ongoing capacity development opportunities and increased their professional experience, thereby improving organizational capacity. Organizations focused on youth have greater access to volunteers, while organizations focused on development issues generally access the services of volunteers on a case-by-case basis. CSOs also engage volunteers to address organizational needs through working groups and boards of directors.

CSOs generally have access to information and communications technologies (ICT). Some ICTs are donated by partners or purchased through funded projects. Although some equipment is old, it is generally sufficient to support CSO operations. Some organizations use ICTs for online monitoring and evaluation and professional financial management, but staff still generally have limited abilities to use such technologies. Internet access is generally available, although it is slow in remote areas. CSOs often use email for formal communications, while social media—especially Facebook—is popular for wider, informal communication. Most people in Cambodia can access Facebook through smartphones, though they do so with caution due to potential government monitoring under the 2015 Telecommunications Law. Some youth groups and key CSOs organized meetings in Phnom Penh in 2018 to discuss cybersecurity and the threat of government surveillance.

ORGANIZATIONAL CAPACITY IN CAMBODIA



FINANCIAL VIABILITY: 5.2

Financial viability continues to be the weakest dimension of CSO sustainability in Cambodia. CSOs still largely depend on funding from the international community, with the EU and US among the most important donors. The Civil Society Alliance Forum (CSAF), which was established by and is affiliated with the current government, has received several grants from China. Most traditional donors award funding based on their priorities and economic and political contexts and some limited their funding following the elections in 2018. CSOs are not subject to any legal restrictions in terms of their access to foreign funding.



While CSOs have made some attempts to diversify their income, these attempts have only resulted in small contributions to overall budgets. Therefore, most CSOs still only have short-term funding available and are not sustainable in the long term.

Local financial support for CSOs is very limited, as the public generally considers CSOs as providers of services rather than partners. Some CSOs providing humanitarian services for children or educational or health services to vulnerable groups benefit from small levels of local support. Kuthea Bopha hospital is a rare example of an organization that has been able to raise funds successfully from local sources, including donations from some prominent individuals, such as film stars. It has also raised money by selling tickets to events and organizing

lotteries. Another notable example is the Red Cross, which is governed by the prime minister’s wife; it organizes an annual event that raises millions of dollars every year, much of which comes from elite tycoons. Some organizations, such as This Life Cambodia in Siem Reap, have developed online fundraising tools, but these attract few donations. A few membership organizations collect membership fees, but these still only amount to about 10 percent of these organizations’ total income.

Since 2015, the Corporate Social Responsibility (CSR) Platform has fostered connections between the private sector and CSOs to enable them to learn from each other. However, these partnerships continue to be limited and focused on gaining reciprocal benefits, rather than providing deeper support to each other’s missions. Huawei, a Chinese company, provides some support to CSAF.

Financial support from the government is generally only available to a few CSOs that demonstrate significant alignment with government policy. For example, the Ministry of Education awards grants to Kampuchean Action for Primary Education (KAPE) for its education-focused work. Some CSOs receive funding from international organizations—such as the Global Fund to Fight AIDS, Tuberculosis and Malaria—that is channeled through the government.

It is difficult for CSOs to earn income through economic activity, as the law does not clearly address whether CSOs can do so. CSOs cannot access loans from banks to start businesses. Moreover, the public believes that CSO services should be free of charge. Therefore, only a few CSOs, such as Hagar International, For a Child’s Smile (PSE), Buddhist for Social Development Action (BSDA), and Community Rural Development Team (CRDT), have developed products and services to generate income, such as restaurants and tours for social, cultural, and environmental purposes.

In 2018, CCC established the Civil Society Fund (CSF), which awarded its first grants in early 2019. Currently, the CSF receives all of its funding from the EU and Bread for the World, but it has identified local resource mobilization as a priority.

Most CSOs have financial management systems, though the level of sophistication—such as the use of professional software rather than only Excel templates—varies widely within the sector.

ADVOCACY: 5.0

CSO advocacy deteriorated significantly in 2018 as the harassment experienced in 2017 continued to have a chilling impact on advocacy. In 2018, CSOs were subject to intimidation and threats; labeled as associated with the Color Revolution; and threatened with closure and other penalties for non-compliance with laws, particularly in the lead up to the national elections. In addition, mass media and other key advocacy channels continued to be shut down, and CSOs refrained from organizing mass campaigns and gatherings. As a result of these threats and continued harassment, CSOs are effectively prohibited from engaging in any direct advocacy.

The FFMP’s Third Annual Report notes three important trends related to advocacy in 2018 from its CSO/Trade Union Leader Survey. First, 87 percent of surveyed CSO and trade union leaders routinely engage in self-

ensorship. Second, only 37 percent feel free to speak openly about all subjects in public, a decrease from 64 percent in 2016 and 61 percent in 2017. Finally, half (50 percent) reported feeling unfree to exercise the right to freedom of assembly, an increase from 23 percent in 2016 and 28 percent in 2017.

CSOs were less engaged in the elections process in 2018 than in previous elections. In mid-2017, the government barred the Situation Room, a temporary platform of CSOs monitoring and reporting about the election process, from working on the 2018 elections.

Many CSOs that fear or have experienced state violence and intimidation have limited their active engagement in public advocacy. Some organizations have even stopped using the term advocacy in favor of less sensitive terms or phrases like lobbying or supporting ideas.

In 2018, some CSOs and networks only engaged in awareness-raising activities, such as for the Cambodia Sustainable Development Goals (CSDGs). Therefore, affected communities often had to lead issue-based campaigns, such as on land rights, by themselves. To prevent CSO engagement in these issues, the authorities often try to claim that CSOs are intermediaries or supporters of such conflicts and their associated turmoil and violence.

Some CSOs have adapted their advocacy approaches to the available civic space, including by using social media platforms like Facebook. Organizations like CCHR, Youth Resource Development Program (YRDP), Committee for Free and Fair Election in Cambodia (COMFREL), and Voice of Democracy (VOD) continue to broadcast shows focused on human rights and other issues through social media livestreaming.

In July 2018, Prime Minister Hun Sen called for national- and local-level multi-stakeholder engagement in sub-national democratic development reforms. The Mol committed to having dialogues with CSOs at least annually at national and provincial levels. The draft Development Cooperation and Partnership Strategy (DCPS 2019-2023) states the government's appreciation of CSOs' contributions to development in Cambodia. At the National Consultation Workshop, some key suggestions raised by CSOs resulted in government action.

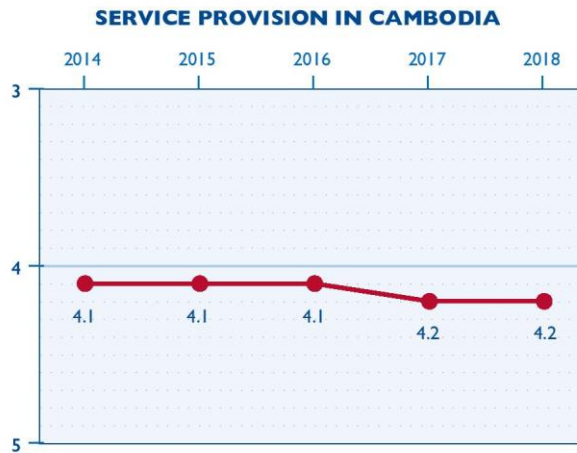
However, this acknowledgement and subsequent engagements are often only cosmetic. For example, while the RGC established a working group to deal with issues affecting CSOs, no CSOs are represented in the group. When CSOs asked to be included, the government responded that it is a government mechanism but that CSOs could create their own mechanism. Similarly, legislation is routinely enacted without consultation or input from civil society, or the public more generally, as seen in 2018 amendments to the LEMNA and the Nationality Law.

CSOs continue to participate in some formal government cooperation mechanisms, such as the Technical Working Groups (TWGs) for several areas, the Joint Monitoring Indicator (JMI) for development effectiveness, Implementation of Social Accountability Framework (ISAF) to improve public services at subnational levels, and other spaces through the National Strategic Development Plan (NSDP), CSDGs, and certain ministries. However, only a few CSOs participate in these mechanisms, and those that do have little influence on their agendas. In addition, CSOs organize some ad hoc meetings with relevant ministries such as the Ministry of Health and the Ministry of Labor and Vocational Training, while other CSOs invite government experts as guest speakers and vice versa.

In 2018, the Joint Working Group on Taxation, a formal working group involving CSOs and the General Department of Taxation, was established to address CSO taxation issues. While CSOs have raised their concerns, such as taxation of income generation and CSO contributions to the pension fund, limited action had been taken to address these issues by the end of the year.



SERVICE PROVISION: 4.2



CSO service provision did not change significantly in 2018. CSOs' areas of work include livelihood, health, education, relief, water and sanitation, economic development, and other human development areas. According to a 2012 CCC study, an estimated 20 percent of CSOs work in more sensitive areas, including governance, empowerment, advocacy, elections, and human rights. Some human rights organizations, such as ADHOC and the Cambodian League for the Promotion and Defense of Human Rights (LICADHO), continue to provide legal support to individuals and communities.

CSOs have made notable innovations to their interventions, including the introduction of mobile apps, information, education and communication (IEC) materials, and virtual platforms. For example, in 2018

CCC created an e-learning platform and knowledge management bank for provincial NGO networks.

Most CSO goods and services respond to local needs. However, people living in more remote areas may have limited access to CSO goods and services. CSOs tend to work directly with local partners to empower them to work directly with the ultimate beneficiaries. For example, International Development Enterprise (IDE) trains its target groups to build standard toilets. Membership-based CSOs prioritize their interventions around, but do not limit them to, the needs of their members. For example, as a consortium, CCC, LAC, and DFDL Cambodia provide legal services not only to CCC members, but also to provincial networks and other concerned CSOs. CSOs provide goods and services to their beneficiaries without discrimination based on race, gender, or ethnicity.

CSOs have limited capacity to recover the costs of the services they provide. Most CSO products and services are provided to constituents and other vulnerable groups free of charge. Some individuals remain confused about the role of CSOs in service delivery vis-à-vis that of the government and are therefore unwilling to pay for CSO goods and services. CSOs have limited knowledge of the market for their services and most do not explore alternative income-generating streams. In general, CSOs do not have the resources or skills to market their goods and services, except for some publications, consultancies, trainings, and capacity assessments. However, CSOs do create awareness of their goods and services through events, apps, IEC materials, publications, and platforms. CSOs generally are unable to operate successful social enterprises, although there are some exceptions in the areas of hospitality and ecotourism.

The government generally appreciates CSOs' role in service provision, and the draft DCPS 2019-2023 acknowledges the government's appreciation of CSOs' contributions to development in Cambodia. CSOs working in development and traditional service delivery tend to establish good relationships with relevant line ministries and local authorities, which enable them to promote their agendas, learn the government's priorities, and relay the concerns of their beneficiaries. CSOs providing health, education, and community services can use the ISAF to reaffirm community needs and encourage all stakeholders to adjust their interventions accordingly.

SECTORAL INFRASTRUCTURE: 4.3

The infrastructure supporting Cambodian CSOs did not change significantly in 2018.

A few CSOs—mainly international NGOs (INGOs) including VBNK Cambodia, Cord, and East-West Management Institute (EWMI)—provide training and technical support to CSOs, primarily their local partners, in areas such as monitoring and evaluation, organizational development, and procurement management. Umbrella organizations and networks, like CCC, the largest membership-based association of NGOs in Cambodia, also frequently organize capacity-building activities or refer their members to other sources of information or training. Other organizations, including Open Development Cambodia and Cambodia Development Research Institute (CDRI), produce and disseminate key development information. In 2018, Development Innovations (DI) continued to be the only

organization offering ICT-based capacity development and innovation services for CSOs; it charges some fees for these services. In general, local CSOs have adequate infrastructural support from INGOs, but they struggle to retain capacity because of the high rates of turnover among trained staff.

There are still no dedicated local grant-making organizations that award locally-raised funds to other CSOs. However, some organizations that receive EU and USAID funding re-grant a percentage of those funds to other CSOs in accordance with donor requirements. For example, the EU and USAID grant funds to CCC, World Vision, and EWMI, and have required them to subgrant part of the funds. As mentioned earlier, with funding from the EU and Bread for the World, CCC established the CSF in 2018 with a budget of €150,000 for ten sub-grants; the first grants were awarded in early 2019.

SECTORAL INFRASTRUCTURE IN CAMBODIA



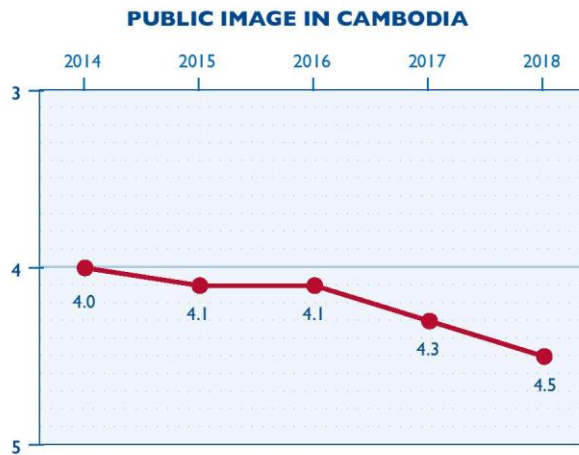
Collaboration among CSOs in the same field of work is more common than collaboration on a broader scale. CSO networks and umbrella organization working at the national level include CCC, NGO Forum on Cambodia (NGOF), HIV/AIDS Coordinating Committee (HACC), NGO Education Partnership (NEP), the NGO Committee on the Rights of the Child (NGOCRC), the Solidarity House (SH), the ChabDai Coalition, Star Kampuchea, and the Cambodian NGO Committee on CEDAW. In 2018, CCC and fifteen provincial NGO networks began collaborating formally to collectively address issues related to network functionality, resource mobilization, advocacy, and an enabling environment for networks. Although not very active during the year, the government’s newly established CSAF held dialogues with civil society and sub-national government in every province, and established a membership scheme for NGOs. This caused confusion within the sector as to which platform should represent them in dialogues with the government. The CSO working group on taxation included representatives from around fifteen CSOs and a private firm. The working group was active in addressing taxation compliance issues, and ultimately was followed by the creation of the Joint Working Group on Taxation.

In 2018, CCC, NGOF, Voluntary Service Overseas (VSO) Cambodia, and Gender and Development for Cambodia (GAD-C) completed a project to develop the capacities of provincial NGO networks in knowledge management, advocacy, and resource mobilization in order to empower them to operate with minimal support from national networks.

More CSO leaders have become consultants and freelance trainers, offering assistance with capacity development, strategic planning, and project evaluation. CSOs turn to private firms for such services less frequently because they lack expertise with how CSOs operate. Donors generally do not allocate enough project funding to provide intensive capacity development for local partners. There were some exceptions, such as Bread for the World, which organized a range of capacity development opportunities for its local partners, specifically on results-based management, reporting, financial management, and governance. During the year, CCC and Advocacy and Policy Institute (API) began to collaborate formally with Wild Ganzen (based in the Netherlands) so that they can improve their resource mobilization capacity and pass that knowledge to their local partners. Most training documents are available in English and not yet well adapted to the situation in the country.

There was no notable collaboration between CSOs and the private sector in 2018. The government, development partners, and civil society have worked together to promote the government’s sub-national democratic development agenda, particularly through the ISAF framework. The Phase II Implementation Plan of ISAF (2019-2023) has adopted multi-stakeholder partnerships as a key principle.

PUBLIC IMAGE: 4.5



The public image of CSOs declined in 2018, as civic space continued to shrink in the lead up to the national elections.

The RGC continues to cast CSOs in a negative light, often accusing them of being foreign agents, “color revolutionaries,” and bad actors. The RGC is able to push this narrative through its controlled media outlets as well as social media accounts, without worrying about independent media outlets offering a counter-narrative or highlighting the accomplishments of civil society since independent media outlets no longer exist. Despite this campaign of disparagement, many Cambodian citizens still support and rely on civil society.

In 2018, the media, both at national and local levels, provided little coverage of the activities and views of

CSOs, except for a few instances in which a high-ranking government official was present at a CSO event. In May, before the national elections, the government coerced the sale of the Phnom Penh Post, a major English-language daily and the last independent local newspaper in the country, to a Malaysian businessperson with reported ties to the Cambodian government. The sale was prompted by a questionable tax bill of nearly \$4 million. This development followed the government’s closure of the Cambodia Daily, another prominent English-language newspaper, at the end of 2017. The shutdown of those popular media channels significantly reduced the space for civil society to communicate with the public and exercise their right to freedom of expression.

CSOs maintained their connection with media through phone interviews and online broadcasting services, although online channels are not widely accessed by the public. After the national election, the government media targeted CSOs less and spread less disinformation about CSOs. Still, many CSO leaders engaged in self-censorship out of fear of being linked to the so-called Color Revolution to overthrow the government in 2017.

In general, the public appreciates and supports the roles and contributions of CSOs. For example, the FFMP has documented that Cambodian citizens feel as comfortable going to a CSO to report a human rights violation as they do going to a Commune Councilor or village leader. However, local communities do not necessarily show mass support of CSOs that get into trouble with the government.

CCC conducted the Study on Image of Civil Society Organizations Perceived by Cambodian Public in late 2018. According to the findings of this study, the public perceives CSOs as playing positive roles in community development projects to improve the lives of the poor. More importantly, because of their nature, the public believes that the work of CSOs can influence the government and contribute to the development of Cambodia as a whole. At the same time, the public expressed criticism that some CSOs were overly confident in their expertise and skills and unwilling to compromise with stakeholders, like technical units of the government. Additionally, the public believed that CSOs were increasingly involved in politics. For example, some former CSO leaders started and joined political parties. Some CSO staff members were also criticized for not demonstrating neutrality or independence in their work. The public recommended that CSOs should strengthen their staff policies on corruption and other misconduct and monitor staff attitudes as they work with communities or other stakeholders.

Some government officials still view CSOs as affiliates of the former opposition CNRP, while others appreciate the work of CSOs. The approach of government representatives toward CSOs is highly influenced by the top leaders. During election periods, the government typically associates CSOs—especially those working on human rights, fair elections, and other sensitive issues—with the opposition.

Many private sector representatives still have negative perceptions of civil society, believing that CSOs rely too much on the financial support of others; have not produced any concrete results, despite receiving great deals of financial support; are not innovative; and complain too much about the government and business sectors. Only a

few businesses in Cambodia have supported the roles and activities of CSOs, particularly to promote multi-stakeholder partnerships, responsible business conduct, and CSR.

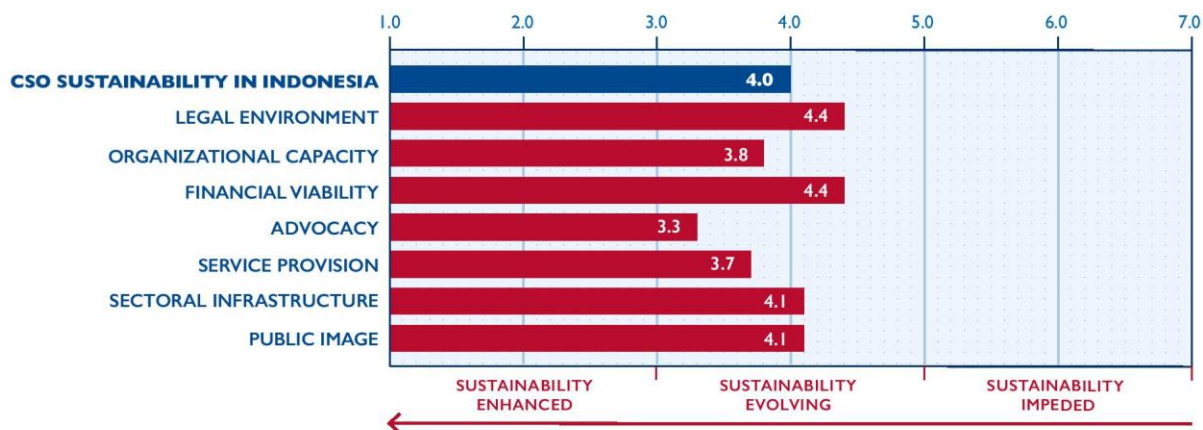
CSOs in Cambodia promote their organizations and activities to increase public awareness of their work. Traditionally, they do so by disseminating publications, particularly studies, narrative reports, and annual reports to their stakeholders. With the advancement of technology, more CSOs promote their organizations through social media and video documentation. A few CSOs also produce regular bulletins, brochures, campaign banners, and even apps, and widely distribute these products in hard copy and electronic form.

The Governance and Professional Practice (GPP) certification system, managed by CCC, is the only self-regulation system for CSOs in Cambodia that promotes good governance and accountability in the sector. From its inception in 2004 to the end of 2018, the GPP certification system received more than 230 applications for certification and awarded ninety-two certificates to qualified CSOs. In 2018, the GPP certification system underwent an impact assessment and revision process. The first-round assessment suggested the need for a new modality for the system that meets five criteria: accessibility, flexibility, cost efficiency, shared ownership, and effective programming. The design of the new modality will be completed in 2019. In 2018, CCC also created a capacity development package for CBOs with the support of the CBO Working Group, an expert group focused on good governance and sustainability in CBOs. The CBO capacity development package will be provided to provincial NGO networks so they can replicate the training with their respective members in 2019.

INDONESIA

Capital: Jakarta
Population: 16,449,519
GDP per capita (PPP): \$12,400
Human Development Index: Medium (0.694)
Freedom in the World: Partly Free (64/100)

OVERALL CSO SUSTAINABILITY: 4.0



Local elections were held in seventeen provinces, thirty-nine cities, and 115 districts in Indonesia in 2018. At the end of 2018, campaigns also began for the April 2019 general elections for president, 575 parliamentarians, 136 senators, thousands of members of regional legislatures in the country’s thirty-four provinces, and tens of thousands of regional legislative members in 316 districts and municipalities.

According to the Freedom on the Net survey released by Freedom House, internet freedom in Indonesia increased slightly in 2018 due to reduced attacks and threats to citizens' online activities compared to the previous year. However, censorship of online content continued in 2018. Social media in 2018 was flooded with political discourse, including potential hate speech as well as information suspected of being fake or misleading. Social media platforms were blocked under Law No. 19/2016 on Information and Electronic Transactions for reasons such as “fake news,” hate speech, terrorism, and pornography. In addition, several online posters were convicted under Law No. 19/2016.

According to the Indonesian Survey Institute, religious and political intolerance remained high in 2018. The Muslim-majority population opposes non-Muslim political leaders, as well as the establishment of non-Muslim houses of worship in their communities.

In May, a mob attacked followers of the Ahmadiyya sect in East Lombok. The attack resulted in significant property damage and destruction. In August 2018, Meiliana, a non-Muslim woman in Tanjung Balai, North Sumatra, was sentenced to one and a half years in prison for openly complaining about the volume of the public Muslim call to prayer. According to the 2018 Religious Harmony Index issued by the Ministry of Religion, religious harmony in Indonesia declined between 2015 and 2017. Meanwhile, according to a 2018 survey by the Central Statistics Agency, freedom of belief in Indonesia declined in 2017.

In 2018, the last year of the first presidential term of Joko Widodo (Jokowi), the economy continued to grow, inflation decreased, poverty and unemployment declined, and food prices were stable. President Jokowi has tried to mitigate land issues by providing opportunities for groups of people living around government-owned forests to engage in social forestry. In 2018, Jokowi also gave millions of land certificates to poor people and small farmers who were previously unable to obtain land certificates due to high costs.

Overall, the sustainability of CSOs did not change in 2018, although improvements were noted in five dimensions. Financial viability improved as domestic funding sources, particularly the government's budget for village development and zakat collected from the community, increased. CSO advocacy strengthened as CSOs collaborated more with the central government, regional governments, and village governments. The range of

services CSOs provided to local governments and communities also improved. In addition, the infrastructure supporting the sector strengthened as several resource centers expanded their roles in the region, and public trust in CSOs increased.

According to data from the Ministry of Home Affairs (MOHA), the number of registered CSOs increased by 6 percent in 2018, reaching a total of 394,250 by the end of the year. The total includes 28,464 CSOs with Registration Certificates but not legal entity status, and 365,786 with legal entity status, including 214,319 foundations and 151,467 associations.

LEGAL ENVIRONMENT: 4.4



The legal environment governing CSOs did not change significantly in 2018.

CSOs that seek legal status can choose to establish either an association or foundation. The Law on Society, or *Staatsblad* (Statute) No. 64/1870, provides that an association obtains legal entity status from the Ministry of Justice and Human Rights. The 2001 Law on Foundations, revised in 2004, defines a foundation (*yayasan*) as a nonprofit legal entity engaged in social, religious, or humanitarian activities. A foundation obtains legal status after the Minister of Justice and Human Rights approves its establishment deed. The law details the procedures for the establishment of foundations and approval of establishment by the minister, as well as rules governing organizational structures and governance, financial

reporting, and dissolution. It generally protects foundations from undue state intervention. Most development organizations, including charities and humanitarian agencies, are established as foundations, which do not have members. Once an organization has received legal status as either an association or foundation, it registers either with the Directorate General of Politics and Public Administration at MOHA (for national-level organizations) or the National Unity and Politics Agency (KESBANGPOL, for organizations operating at the provincial, district, or city levels).

Law No. 17 of 2013 concerning Societal Organizations stipulates that in addition to foundations and associations, which have legal entity status, there is a third category of CSOs that lack legal entity status. CSOs without legal entity status must register with MOHA in order to operate in public spaces, for example to conduct public fundraising or collaborate with the government or donor agencies. MOHA's Regulation No. 57/2017 concerning the Registration and Management of Information Systems for Societal Organizations regulates the registration of CSOs without legal entity status. After the issuance of Regulation No. 57, the number of CSOs with legal entity status increased by 19,848, while registration of those without legal entity status increased by 2,608. While CSOs without legal entity status can still function without MOHA registration, they are unable to enter into contractual relationships, which prevents them from accepting foreign or government assistance.

The process for obtaining a Registration Certificate from MOHA is relatively easy, although CSOs that do not identify *Pancasila* (the national ideology) as their organizational ideology will not receive a Registration Certificate. Registered CSOs generally can work in the field without obstacles from local governments, although local governments often ask for Registration Certificates. In addition, some regions have prohibited CSO activities focused on issues affecting lesbian, gay, bisexual, transgender, and intersex (LGBTI) individuals, minority religious groups, and separatism on the grounds that these activities can lead to conflict.

MOHA provides activity permits and research permits and makes recommendations for CSOs to receive international assistance. Organizations registered with KESBANGPOL can only operate in limited areas according to their registered locations.

In July 2017, the government issued the Government Regulation in Lieu of Law No. 2/2017 on Amendment of Law No. 17/2013 on Societal Organizations (Perppu 2/2017), which allows the government to curb organizations

conducting advocacy activities that are contrary to democracy, the *Pancasila* ideology, and the constitution. To date, the only organization that has been discontinued because its activities were contrary to *Pancasila* is Hizb-ut-Tahrir Indonesia, which aims to establish an Islamic Caliphate.

Tax exemptions for CSO activities remain limited to income from grants, donations, and inheritance, as well as *zakat* if a CSO is a government-approved *zakat* collector. The procedure for applying for such exemptions is very bureaucratic and complicated. Regulation No. 93/2010 provides limited income tax deductions for persons or entities that provide contributions to national disaster relief, research and development, educational facilities, sports facilities, or social infrastructure development. The procedures to receive these deductions, however, are complicated and subject donors to the risk of inspection by tax officers. In 2018, the government issued Regulation No. 23/2018 concerning Income Tax on Income Received by Micro, Small and Medium Enterprises. This regulation reduced the corporate income tax to 0.5 percent from the previous 1 percent for CSOs and businesses that had a maximum turnover of IDR 4.8 billion (\$340,000) a year.

Associations may not engage in economic activities. Foundations may only engage in economic activities by setting up business entities or putting shares in enterprises. The profit from a foundation's economic activities is taxed and must be used entirely for program sustainability and the financial independence of the organization.

In March, the government enacted Presidential Regulation 16/2018 concerning Public Procurement of Goods and Services, which is expected to enable CSOs and community groups to provide more goods and services through government projects at central and regional levels. Before this regulation, CSOs had few opportunities to be involved in government projects because the conditions were too difficult to fulfill. This regulation is expected to increase funding for CSO activities in 2019.

CSOs in Indonesia have limited access to legal advice. Only the Indonesian Center for Law and Policy Studies (PSHK) has expertise in CSO law, but it does not provide legal services to CSOs. Rather, PSHK provides training in legal drafting to CSOs, government agencies, and members of the parliament at the national level and some provinces. Other lawyers have begun to specialize in CSO law and assist CSOs in legal drafting skills and other matters in Jakarta and some provinces.

ORGANIZATIONAL CAPACITY: 3.8

The organizational capacity of CSOs did not change significantly in 2018.

There are still significant gaps in organizational capacity between CSOs at national and regional levels. Most strong CSOs are based in Java, although some CSOs in other regions—including the Eastern Indonesia Knowledge Exchange Foundation (BaKTI) in Makassar, South Sulawesi, and the Women of Sumatera Mampu (PERMAMPU), a consortium of eight women's organizations in Sumatra—have strong organizational capacities. CSO organizational capacity is particularly weak in Papua, where the government monitors and restricts CSO activities, as well as the freedom of expression regarding civil and political rights, due to ongoing separatist movements in the region.

Organizational capacity among LGBTI organizations has not developed due to public pressure against the LGBTI community. The government has also increasingly rejected permission for these organizations to receive foreign funding.

CSOs demonstrated better constituency-building skills in 2018. For example, community-based interest groups, such as those uniting people with disabilities and transgender individuals, support their communities, set organizational goals, and formulate strategies to achieve them.



Many large CSOs based in the capital—especially intermediary support organizations (ISOs) and CSO resource centers—have transparent and efficient management systems. These CSOs have clear missions, regularly conduct strategic planning in a participatory manner, and adhere to their strategic plans. They publish annual narrative reports and financial reports that are audited by public accountants, are able to retain trained permanent staff, and establish separate roles and responsibilities between the executive and the governing body. Some of the major CSOs in Jakarta, especially those acting as grantmaking organizations, can offer professional staff compensation comparable to that of the private sector.

Large social organizations (ormas) like Nahdhatul Ulama (NU) and Muhammadiyah have very strong organizational capacities that allow them to engage in various activities. For example, Muhammadiyah manages thousands of primary schools, hundreds of clinics and hospitals, and at least 172 higher education institutions. Similarly, NU has thirty-one universities, 48,000 schools for primary and secondary education, and 23,000 pesantren (Islamic boarding schools). These two organizations have tens of millions of members and management structures throughout Indonesia down to the village level. Their constituencies are diverse, including women, youth, students, religious scholars, workers, and intellectuals.

On the other hand, limited funding impedes the development of capacity in many CSOs, especially small organizations based in district and rural capitals. They still struggle to build constituencies and implement mid-term plans. Many CSOs do not have active, effective boards. Most CSOs are unable to recruit or retain highly skilled permanent staff. Instead many organizations rely on employees contracted on a project basis or even just volunteers. In general, professional staff salaries in the CSO sector are far below salaries in the private sector. Many young people only seek work experience in the CSO sector, especially as project-based staff, before entering the public or private sector or continuing their studies.

Most CSOs, including small organizations, have computers, printers, and projectors. Internet access is widely available throughout the country, and most CSOs use social media like Facebook, Twitter, and Instagram.

FINANCIAL VIABILITY: 4.4



The financial viability of CSOs improved slightly in 2018. Funding for CSOs from domestic sources continued to increase in 2018, especially from the government's village development funds, as well as *zakat* and other community contributions.

Many CSOs in the regions benefited from resources from villages, other local governments, and political parties in 2018. For example, local CSOs and community groups receive village funds, which are quite significant and continue to increase, to assist village governments in formulating and implementing development projects.

In 2018, the National Zakat Agency (BAZNAS) announced that *zakat* collection increased by 31.8 percent compared to 2017. Twenty Islamic faith-based organizations established by the private sector collect

approximately 65 percent of the funds collected through *zakat*. Such organizations use these funds to finance social development programs either directly or through community groups.

In 2018, the Charities Aid Foundation (CAF) World Giving Index ranked Indonesia as the most charitable country in the world for the first time. (In 2017, Indonesia was ranked second after Myanmar.) Seventy-eight percent of Indonesians reported they had donated money to charity during the reporting period in 2017. The generosity of the Indonesian people is evident from the community's contributions to the victims of natural disasters and tsunamis that occurred throughout 2018, such as the earthquake on the island of Lombok and the tsunami in Palu and the Sunda Strait. Hundreds of thousands of US dollars were donated and thousands of people volunteered to help the victims.

Almost all major CSOs in Jakarta that function as ISOs, resource centers, or umbrella organizations rely mainly on international donor funding. Important donor agencies include USAID, the Australian Agency for International Development, Ford Foundation, Asia Foundation, and Oxfam. No data is available on the amount of foreign assistance provided to Indonesian CSOs.

Large faith-based organizations like NU and Muhammadiyah rely on charity and infaq (charitable contributions) of Muslims, as well as social and economic activities in education, health, and small business development. NU and Muhammadiyah receive revenue by charging their beneficiaries fees to access these educational and health services.

Some CSOs, especially those that are well-resourced and have specialized knowledge and skills, try to engage in economic activities, such as publishing books and scientific journals, training other CSOs on fundraising and financial management, launching small businesses, or providing research and consulting services. For example, in Medan, North Sumatra, a CSO called Pusaka operates a cafe and restaurant, which contributes 10 to 15 percent of the organization's total revenue. Some of this revenue is used to finance the CSO's activities to empower women and children. PKPA Indonesia, also in Medan, provides professional services, such as facilitation, research, and consulting, to the government and other CSOs in order to generate funds for its women's empowerment activities. However, the income from such activities is generally inadequate due to the small markets for these products and services.

CSOs can compete for government contracts, but few CSOs are selected to implement medium and large-scale government projects due to competition with the private sector. Presidential Regulation 16/2018 concerning Public Procurement of Goods and Services is expected to increase the opportunities for CSOs and community groups to implement government projects to provide goods and services. However, its impact will only start to be seen in 2019. In the meantime, many CSOs regularly receive government funds to carry out small-scale projects. In 2018, about twenty CSOs received funding from the Ministry of Education and Culture for projects to prevent human trafficking. About ten CSOs in the CSO Network for Child Labor Prevention (JARAK) annually receive funding from the Ministry of Manpower for activities to eliminate child labor.

Large CSOs generally have sound financial management systems in accordance with the Financial Accounting Standards Guidelines for Nonprofit Organizations created by the Association of Indonesian Accountants. Their financial statements are audited by public accountants and published on their websites. Most small CSOs, on the other hand, do not have sound financial management or exercise accountability or transparency.

ADVOCACY: 3.3

CSO advocacy improved in 2018, especially in terms of CSOs' collaboration with the national and regional governments.

CSOs have high levels of engagement with governments in the regions. For example, CSOs engage in multi-stakeholder forums to create local action plans for the Sustainable Development Goals (SDGs) and provide input into regional regulations. In 2018, CSOs increased their capacity to influence policy formulation, especially at the district and village levels. Several regional CSOs collaborate with local governments to produce policy changes in the regions, including developing and advocating for the issuance of new regional regulations (Perda). CSOs also develop policy papers in the fields of environment and forestry and assist village governments in developing regional development plans. In 2018, more than twenty CSOs successfully advocated for new child-friendly policies, especially related to disability and child marriage. For example, in Gunung Sitoli District, North Sumatra, several CSOs worked with the government and regional legislatures to formulate local regulations for child-friendly policies. They have also created management knowledge programs, such as books and videos on child-friendly programs and women's protection, for local governments to use.

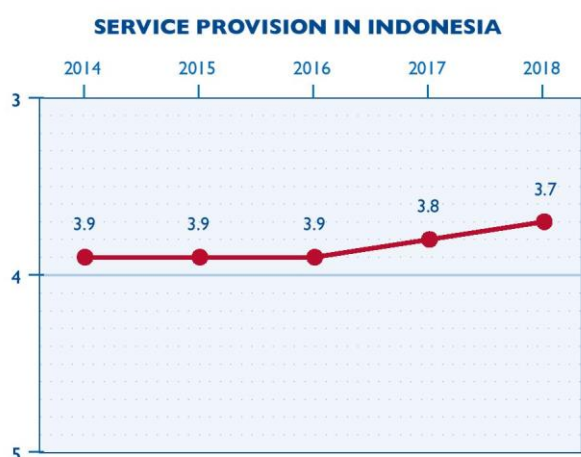


Some advocacy campaigns also took place at the national level in 2018. For example, the Indonesian Women's Coalition (KPI) urged the parliament to immediately pass the Draft Law on the Elimination of Sexual Violence which expands the definition of sexual violence in the criminal code. By the end of 2018, however, the People's Representative Council had not yet approved the bill.

Many CSOs in Indonesia advocate on issues related to environmental protection and management, protection of human rights, and anti-corruption. The Indonesian Forum for the Environment (WALHI) advocates against practices that cause forest and land fires, the construction of hydropower plants in Sibolga, North Sumatra, land grabbing by plantation companies, and various other environmental problems. NGO Forum on Indonesian Development (INFID) has advocated for the adoption of human rights agendas by Indonesian cities; as a result, the central government gave human rights awards to 275 districts and cities in 2018, an increase from 230 in 2017. Indonesian Corruption Watch (ICW) collaborated with LKPP to develop monitoring instruments to prevent corruption in public procurement.

AKATIGA Center for Social Analysis, PSHK, and the Institute for Policy Research and Advocacy, in collaboration with the Government Goods/Services Procurement Policy Institute (LKPP), successfully advocated for Presidential Regulation No. 16/2018, which is expected to enable more CSOs to get involved in government projects for research and service provision.

SERVICE PROVISION: 3.7



CSO service provision improved in 2018, especially in terms of the number and range of services provided.

New CSO services include: training on budgeting at the district, city, and village levels; online marketing training for start-ups in small towns and villages; technical skills for small businesswomen; online legal information services; services within the framework of the SDGs, such as assisting local governments in adopting human rights-friendly policies and other public policies; and providing research and survey services.

Meanwhile, existing CSO services continue to empower the poor and marginalized, victims of natural disasters, and others. CSOs provide services in a wide range of fields such as education, health, economic empowerment, rights protection, arts, environment, democracy, and

human rights. Education services include informal education, religious education, library services, and short-term training. In health, CSOs establish clinics and hospitals, prevent and treat HIV/AIDS, supply drinking water and sanitation, and assist victims of natural disasters. Economic empowerment services include small-scale business development, micro-credit, housing, and agriculture and livestock development. Rights and welfare services include protection of children and women victims of violence, women's empowerment, protection of migrant workers, legal assistance, and assistance to victims of terrorism and of human rights violations (such as discrimination and religious-based violence against women, indigenous peoples, and LGBTI individuals). Other CSOs are involved in citizenship and voter education, monitoring elections, civic education, and democracy promotion.

CSOs frequently use participatory approaches, such as participatory rural appraisals (PRA), to identify community needs. CSOs generally provide services to the public, although some CSOs such as unions and cooperatives only provide services to their members. CSOs also provide some services, such as training and work on small-scale development projects, to other CSOs and government agencies. Services for the poor are usually provided free of charge. Even if a fee is charged, it is usually insufficient to cover the cost of providing the service.

Several large CSOs have established companies or provide paid services to communities to cover some of their program and institutional costs. Some of these services include the sale of agricultural products, technology services, the publication of books, training and consultation, research and surveys, project monitoring and evaluation, data and information services, building of hospitals, and establishment of education institutions from

primary schools to universities. For example, the Indonesian Forum for Budget Transparency (FITRA) provides fee-based training on budgeting to both government and CSOs in several districts. The SMERU Research Institute provides data on poverty maps in Indonesia and charges fees for access to the data. With donor funding or government contracts, CSOs also assist village governments with various technical tasks such as bookkeeping, establishing digital village information systems, formulating activity ideas for discussion in village development meetings, or facilitating women's participation in rural development.

Many CSOs engage in dialogue and cooperation with ministries and local governments through working groups, multi-stakeholder forums, or small social development projects. CSOs provide village governments with a variety of technical assistance, including the formulation of midterm development plans and policies, budget analysis and planning, bookkeeping, creation of information systems, facilitation of development meetings, and promotion of women's participation in village development.

SECTORAL INFRASTRUCTURE: 4.1

The sectoral infrastructure that supports CSOs improved in 2018 as cross-sectoral cooperation has increased. For example, by the middle of 2018, Puspa Communication Forum had been established in thirty-three of the thirty-four provinces in Indonesia. Puspa, which was initially formed in 2017, is focused on strengthening communication and synergy among CSOs, businesses, and the government to promote the welfare of women and children. CSOs engaged in this forum have access to training, program synergy, experts, and small grants provided through the State Revenue and Expenditure Budget (APBN) and Regional Revenue and Expenditure Budget (APBD). Other ongoing forums promoting cross-sector cooperation include Company-Community Partnerships for Health in Indonesia (CCPHI), which promotes and facilitates partnerships among companies, NGOs, and local governments to create healthy and sustainable communities, and CCPHI, which facilitates the Indonesia Development Forum (IDF), which brings together leaders in government, civil society, academia, and the private sector to discuss solutions to Indonesia's key development challenges.

In Jakarta, dozens of national-level CSOs continue to operate as grant-making organizations, CSO resource centers, ISOs, coalitions and networks, umbrella organizations, think tanks, and research institutions. These organizations organize a variety of activities to help CSOs, especially small CSOs and community groups in the regions. Such activities include channeling funds from international donors, *zakat*, and corporate philanthropy, and providing training and capacity-building services. For example, the Indonesian Biodiversity Foundation (KEHATI) uses funds received from its endowment to provide grants for community empowerment and ecosystem conservation to hundreds of small CSOs and community-based organizations (CBOs) in all regions of Indonesia. Tifa Foundation distributes funds raised from other parties to CSOs for programs related to economic development and governance; law enforcement and justice system reform; and deepening of democracy and inclusive participation.

Training is mainly available outside Jakarta and is usually funded by international donors. Training is available on a variety of topics such as accounting, financial management, strategic planning, organizational and resource management, project management, taxation, training for trainers, fundraising, policy advocacy, gender equality and mainstreaming, environmental investigation and monitoring, protection of human rights, gender analysis, PRA, small business development, government budgeting, internet use, and drafting laws. In addition, several large CSOs have experts, consultants, trainers, and facilitators utilized by international agencies and the government for social development projects and monitoring and evaluation.

USAID, Ford Foundation, Asia Foundation, Oxfam Indonesia, ICCO Regional Office Southeast Asia, and others provide funding for programs and capacity building for Indonesian CSOs. For example, Oxfam Indonesia joined



sixteen CSOs to establish a Humanitarian Knowledge Center, which aims to increase CSOs' capacity in risk management to help victims of the earthquake in Lombok in mid-2018.

Since its founding in 2013, the Knowledge Sector Initiative (KSI), funded by the Australian government, has assisted around twenty-five advocacy-oriented CSOs to improve the quality of their research so that they can better help policy makers. In 2018, it partnered with seventeen CSOs, including SMERU, for this work. Tifa Foundation collects funds from various donors and companies and then redistributes them to local CSOs.

Many CSO umbrella organizations also channel funds or provide training to their members. The Association for Women in Small Business Assistance (ASPPUK), which consists of fifty-four women's organizations, provides training on fundraising, gender mainstreaming, small business management, and other skills. WALHI, a national confederation of regional members in twenty-eight provinces, provides training on environmental advocacy, investigative reporting, public campaigns, disaster management, financial management, and environmental laws. PSHK provides legal education and training in drafting laws. The Indonesian NGO Council, which has 105 members, provides training to build strong CSO boards of directors. Solidaritas Perempuan provides training in feminist leadership and gender mainstreaming. The FITRA National Secretariat provides training in budgeting to its members in the region. INFID provides training in the framework of SDGs.

Many CSOs work together through coalitions and networks, especially for advocacy purposes. Coalitions not only bring together CSOs within individual regions, but also unite CSOs in the regions with national CSOs. CSOs also work through regional forums focusing on various issues such as human rights and rural development, including the Asian Forum for Human Rights and Development (FORUM-ASIA), Asian Partnership for Human Resource Development in Rural Asia (AsiaDHRRA), and the Asian NGO Coalition for Agrarian Reform and Rural Development. Collaboration in building networks between local, national, and international CSOs increased in 2018. For example, Konsil LSM Indonesia, which has 120 local NGO members, became a member of CIVICUS International. The Network of CSOs for the Prevention of Child Labor in Indonesia (JARAK) also increasingly collaborated with an international CSO network. Trade unions and CSOs also cooperated, including on women's issues and gender equality.

PUBLIC IMAGE: 4.1



The public image of CSOs improved in 2018 due to increased public trust.

The Edelman Trust Barometer found that public trust in CSOs in Indonesia increased from 64 percent in 2017 to 67 percent in 2018. A late 2018 survey conducted by the Indonesian Survey Institute in collaboration with ICW found that public trust in CSOs in general reached 62 percent. Trust in religious social organizations was higher, with trust in NU and Muhammadiyah reaching 71 percent and 67 percent, respectively. The level of trust in CSOs in general was the same as the level of trust in the media (62 percent) and was above that of private companies (57 percent), but below the level of trust in ministries and other central government institutions (71 percent) and regional government (73 percent).

The public image of CSOs varies depending on the type of CSO activity, which affects media coverage. Religious-based CSOs, trade unions, and CSOs engaged in national-level advocacy on anti-corruption issues, human rights, migrant workers, violence against women, environmental protection, and trade union demonstrations consistently receive positive media coverage. CSO activities around the passage of the Law on the Elimination of Sexual Violence, violations of freedom of religion, discrimination and persecution of LGBTI people, forest fires, construction of power plants, demonstrations and labor strikes, fundamentalist and radical demonstrations gained wide coverage from television, print media, and online media outlets in 2018. Conversely, intolerance and violence, including persecution by fundamentalist and radical religious groups, received negative publicity and public criticism. CSO service provision activities do not receive much media coverage.

In 2018, for the second time the MOHA gave awards to nine CSOs for outstanding contributions to community empowerment in Indonesia. Two categories were added this year: good governance and lifetime achievement.

Anti-LGBTI sentiment among the population impacts the work of LGBTI organizations. A 2018 survey by Saiful Mujani Research & Consultant (SMRC) found that 81 percent of respondents agreed that LGBTI was prohibited by religion and as many as 80 percent would object if an LGBTI person became their neighbor. These views likely intensified as a result of an anti-LGBTI campaign by politicians and religious leaders. On various occasions, government officials, especially in the regions, criticized LGBTI people. The Padang-Pariaman District Government in 2018 issued a Regional Regulation on Public Order and Peace which prohibits same-sex relations, and activities by LGBTI organizations.

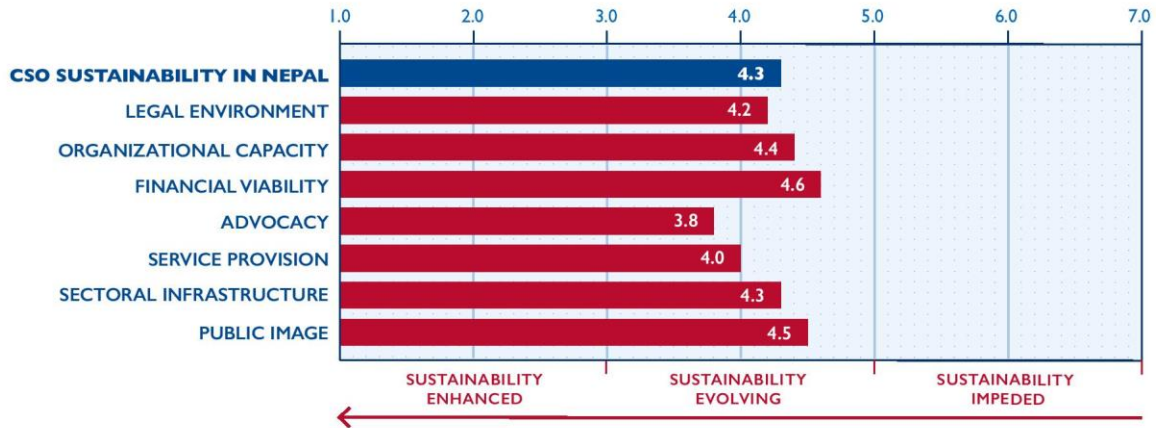
Most CSOs have weak public relations capacities. CSOs sometimes invite journalists to attend events or hold press conferences, but they rarely issue press releases. Some large CSOs recognize the importance of media in publicizing their activities and conveying their messages or opinions to the public. Some major CSOs regularly issue press releases to mass media or post them online. CSOs increasingly post information about their activities on social media such as Twitter, Facebook, and Instagram. In addition, more CSOs have started to create websites and improve their management and content.

Some large CSOs acting as ISOs, grant providers, resource centers, and umbrella organizations publish annual narrative and financial reports and have professionally managed websites. Most small CSOs do not publish such reports.

NEPAL

Capital: Kathmandu
Population: 29,717,587
GDP per capita (PPP): \$2,700
Human Development Index: Medium (0.574)
Freedom in the World: Partly Free (55/100)

OVERALL CSO SUSTAINABILITY: 4.3



In 2018, Nepal continued to implement the new federalist system mandated by the 2015 constitution, with all three levels of government—federal, provincial, and local—engaged in related law-making processes. During its summer session, the parliament passed sixteen laws to implement the thirty-one fundamental rights provisions in the constitution by the September 2018 deadline. More than 174 other laws were expected to be amended to align them with the constitution by March 2019. While all seven provinces actively engaged in law making, only three achieved political consensus to confirm their names and headquarters by the end of 2018. The new federalist system has created a window of opportunity to make new laws and policies to promote an enabling environment for CSOs. As a result, during 2018 CSOs organized discussions and advocated for enabling CSO and media laws.

For the November 2017 national legislative election, the Communist Party of Nepal - Unified Marxist–Leninist (CPN-UML) and the Unified Communist Party of Nepal - Maoist (UCP-Maoist) formed an alliance that won almost two-thirds of the seats in the parliament. This alliance also won the majority of the seats in six of the seven provinces in the 2017 provincial assembly elections. In February 2018, CPN-UML Chairman K.P. Sharma Oli was appointed for the second time as prime minister of Nepal. Given his party's level of support, he is considered one of Nepal's most powerful prime ministers. In May 2018, the two parties formally merged as the Communist Party of Nepal (CPN).

In March 2018, Bidhya Devi Bhandari was elected for a second five-year term as the president of Nepal. The position is generally ceremonial, with presidents acting on the advice of the prime minister.

Per the constitution, twenty-five ministers at the federal level and fifty-three ministers at the provincial level were appointed in early 2018. However, three ministers were forced to resign during the year due to misconduct. For the first time, the parliament rejected a nominee for chief justice of the Supreme Court because of controversial judicial decisions made during previous appointments.

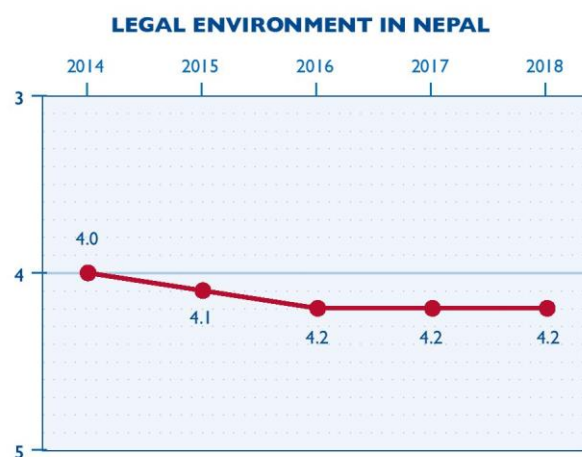
The government continues to try to exert control over media and expression. In 2018, the central government introduced in the parliament the Information Technology Bill, which would mandate the registration of social media websites with the Department of Information. Social media sites that fail to register would have their services blocked. The bill was still pending at the end of the year. In September 2018, the chief editor of the Khojtalash Online was arrested under the cybercrime law for reprinting news on corruption published in Dristi Weekly. In addition, the communications minister reportedly directed state-owned media not to report any news that harms the government's reputation.

There were no major natural disasters in 2018. The National Reconstruction Authority (NRA) continued recovery operations for the 2015 earthquake, which damaged 996,582 houses in thirty-one districts. By the end of December 2018, the NRA had approved 676,849 housing grants, and 79,514 homes had been built, while another 194,196 homes were under construction. The NRA is set to shift all earthquake response activities to the respective local governments by July 2019. Nepalese CSOs along with international non-governmental organizations (INGOs) continued to provide support in earthquake-affected districts in 2018 but are slowly phasing out their activities in this field.

The sustainability of CSOs in Nepal generally remained the same in 2018, though there was improvement in advocacy, service provision, and sectoral infrastructure. CSOs made increasing efforts to conduct evidence-based advocacy in order to contribute to the laws being developed to conform to the new federalist structure. CSOs increasingly collaborated with local governments on service provision, and local CSOs received subgrants from INGOs to work in various provinces and districts.

Nepalese civil society, with an estimated 300,000 CSOs, remained vibrant in 2018. By the end of 2018, 48,273 CSOs were affiliated with the Social Welfare Council (SWC), an increase from 46,982 in 2017. CSOs must affiliate with the SWC in order to receive foreign resources. Data is not available on the number of CSOs registered with the seventy-seven district administration offices (DAOs). CSOs registered under the Company Act of 2006 with the Company Registrar Office reached 2,198 by December 2018, a 31.8 percent increase from 2017. More groups have registered as foundations under the Company Act due to bureaucratic obstacles to registration under the Association Registration Act (ARA). The number of forest user groups registered under the Forest Act reached 22,266 in 2018, an increase of 2,350 since 2017. There are also 5,000 water and sanitation user committees, 3,091 irrigation and water user committees, and 283 community electricity user committees. These user committees have their own federations and rely on membership fees. At the end of 2018, there were over 32,000 community-based organizations (CBOs) formed by local CSOs mobilized by the Poverty Alleviation Fund (PAF). The number of CBOs registered with other ministries is unknown. The number of cooperatives registered with the Cooperative Department under the Cooperative Act remained at 34,512. In accordance with the constitution, centrally registered cooperatives are now under the responsibility of 753 local governments.

LEGAL ENVIRONMENT: 4.2



The legal environment for CSOs in Nepal did not change in 2018. Although the government drafted CSO-related laws, none were passed by the parliament.

In 2018, CSOs continued to be regulated by the ARA, SWC Act, Company Act, Forest Act, Cooperative Act, Poverty Alleviation Fund Act, and the National Directive Act (NDA). Most CSOs register with a DAO under the ARA. CSOs operating without registration may face penalties of up to NPR 2,000 (approximately \$20). The registration process continues to be bureaucratic. For example, to renew its registration a CSO must receive approval from its respective DAO, police reports of CSO founders, and a tax clearance certificate, including recommendations from municipal or rural wards where projects are implemented. CSOs must renew their

registration annually. CSOs that fail to do so for five years are delisted.

The SWC Act mandates that Nepalese CSOs intending to receive foreign resources, whether funding or technical assistance, must become affiliated with the SWC and obtain approval for each project. In 2018, CSOs working in human rights and governance continued to face bureaucratic hurdles when seeking project approval from the SWC, while infrastructure projects easily received approval. In 2017, the SWC issued a call for CSOs to re-affiliate with it, at a cost of NPR 1,000 (\$10) for three years. Out of 48,273 CSOs affiliated with the SWC, only 3,718 had renewed their affiliation by the end of 2018.

In accordance with the current laws, a foreigner cannot found a CSO, but can be nominated as an honorary member of a national CSO. INGOs must receive the SWC's approval before operating in Nepal and must work with local CSOs to implement their activities.

In 2018, the government drafted a new Social Organization Act (SOA) to regulate CSOs and INGOs and try to develop a "one-door policy" to streamline CSOs into specialized sectors to fulfill government priorities. The SOA would replace the ARA, the SWC Act, and the NDA. The SOA was still pending in the parliament at the end of the year.

In April 2018, the government proposed a National Integrity Policy to heighten scrutiny of the work of CSOs and INGOs in Nepal. The NGO Federation of Nepal (NFN) along with other CSOs protested the proposed policy because of several restrictive provisions. For example, the policy would cancel a CSO's registration if it fails to renew it within three months of its expiration; discourage CSOs from lobbying for INGOs' agendas; mandate that board members declare their assets; and require CSOs to receive permission from the Finance Ministry before receiving foreign donations. After the outcry from civil society, the proposed policy was shelved.

In early 2018, the government issued a draft Local Level CSO Management Act, 2074, which imposed geographical and other limitations on CSOs' work, but the government did not progress with the draft. NFN, Informal Service Center (INSEC), and GoGo Foundation proposed amendments to the restrictive provisions.

The 2015 constitution empowers the seven provincial and 753 local governments to adopt local laws that align with national law. The Local Government Operation Act, 2074, adopted in 2017, provides municipal and rural councils with a mandate to coordinate with CSOs to implement projects. Because the national government was working on new laws governing CSOs in 2018, most local and provincial governments were reluctant to issue CSO-related laws. However, the Nechasalyan Rural Municipality of the Solukhumbu District of Province 1 promulgated the CSO Coordination Act, 2075 in May 2018. It provides for local government coordination with CSOs, social audits, CSO representation in municipal committees, and transparency of CSO activities. It also requires INGOs to collaborate with local CSOs to implement projects. Province 3, Province 5, and Gandaki Province drafted Social Development Acts in previous years but have not yet adopted them.

Due to state restructuring, the number of ministries was reduced from thirty-one to twenty-two in 2018. The ministries that regulate CSOs have changed and now include the Ministry of Home Affairs (MoHA), Ministry of Federal Affairs and General Administration (MoFAGA), Ministry of Industry, Commerce and Supplies (MoIC&S), Ministry of Women, Children and Senior Citizens (MoWCSC), Ministry of Forest and Environment (MoF&E), and Ministry of Land Management, Cooperatives, and PAF.

In 2018, DAO Kathmandu received thirty-two complaints against CSOs—a decrease from sixty-three in 2017—eleven of which were cleared, while the remaining twenty-one remained under investigation. Some CSOs' bank accounts were blocked based on the complaints, which included allegations of misappropriation of funds or failure to hold an annual general meeting. Also, the SWC recommended that unspecified action be taken against Family Planning Association Nepal (FPAN) for mismanagement and misappropriation of funds.

The Donation Act 1970 requires CSOs to obtain approval from MoHA before engaging in public fundraising activities. After lobbying by NFN, in 2018 Nepalese banks began allowing CSOs to open saving accounts. However, donors still prefer that their grantees do not put project funding in interest-earning accounts.

In 2018, tax offices continued to refuse to issue tax clearance certificates to CSOs, including the National Election Observation Committee (NEOC) and the International Institute for Human Rights, Environment and Development (INHURED). Individuals and corporations do not receive tax benefits for donations to CSOs.

CSOs may earn income from their goods and services, though such income is subject to taxation. CSOs intending to participate in government tenders must register with the value-added tax (VAT) system.

Lawyers in the capital and in central locations of provinces and districts are familiar with the existing legislation governing CSOs and can provide basic legal services to CSOs. Some also specialize in CSO legal issues. However, CBOs and small CSOs at the local level may not have the resources to hire qualified lawyers.

ORGANIZATIONAL CAPACITY: 4.4

Organizational capacity did not change significantly in 2018. However, since introducing the new federalist structure, the government has increasingly requested INGOs to partner with local CSOs to implement activities. Furthermore, the Local Government Operation Act, 2074 mandates municipal and rural councils to coordinate with CSOs to implement projects and requires INGOs to implement their activities through local CSOs. This has led to the creation of various training opportunities that enable local CSOs to improve their organizational capacities, including financial management and internal governance.

Under the Civil Society: Mutual. Accountability Project (CS:MAP)—funded by USAID and implemented by FHI 360 and the International Center for Not-for-Profit Law (ICNL)—several CSOs and CSO networks including NFN, GoGo Foundation, Freedom Forum, Nepal Participatory Action Network (NEPAN), Mitra Samaj, and Nepal National Social Welfare Association (NNSWA) have focused on improving their governance, constituency building, and other aspects of organizational capacity. For example, the GoGo Foundation amended its personnel and financial management policies to comply with the labor law and drafted anti-harassment and communication policies. The United Nations Development Programme (UNDP) and the Swedish International Development Cooperation Agency (Sida) also built the capacity of CSOs through training as well as policy advocacy on issues affecting the CSO sector. Most donors target capacity-building interventions to their own programs rather than the long-term sustainability of local CSOs.

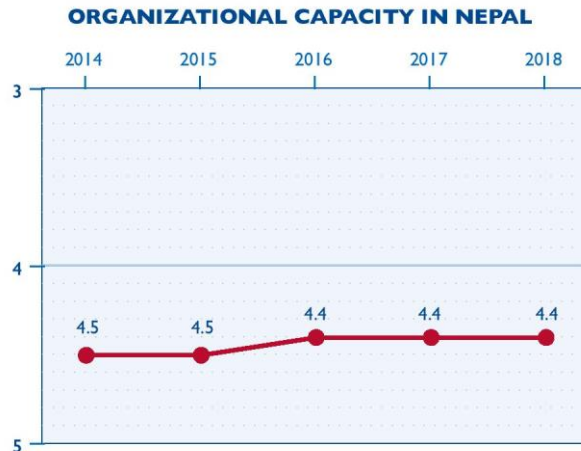
CSOs' abilities to build strong constituencies are hampered by their reliance on project-based donor funding, which drives them to seek diverse funding opportunities, rather than sticking to particular missions. However, some organizations are specialized and have developed particular constituencies—these organizations include INSEC (for human rights), GoGo Foundation (for governance and social accountability), NEOF (for election monitoring), Justice and Right Institute Nepal (for justice and rule of law), and Dalit Welfare Organization (for advocacy on behalf of Dalits).

CSOs' statutory documents mention their mission statements and objectives. Typically, only large CSOs develop strategic plans, in part to fulfill donor requirements. However, even these CSOs adjust their strategic plans to reflect donor priorities.

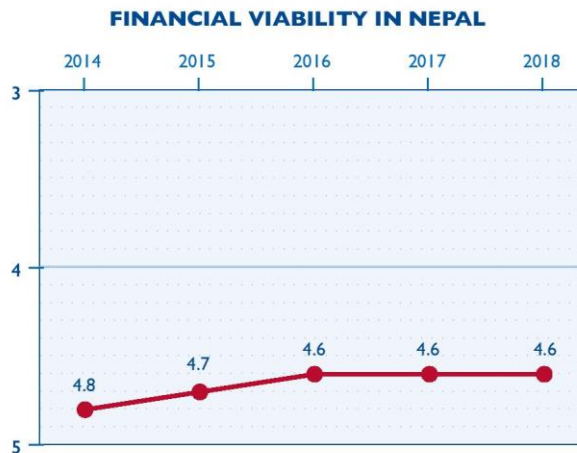
CSOs that receive donor funding have developed administrative and financial policies and organizational charts. A CSO typically has an executive committee elected by its members, and a management committee led by an executive director. Executive committee members are volunteers, so their participation is limited. Nepotism continues to be a problem in the CSO sector, though donors have been discouraging the practice. Few CSOs have conflict of interest policies.

Although CSOs have paid staff, their reliance on project-based donor funding makes it difficult for them to hire or retain long-term staff. CSOs also mobilize volunteers to participate in their activities with small incentives. Most CSOs cannot afford to retain information technology (IT) experts or lawyers, but they use these experts when necessary.

CSOs based in cities typically can afford internet access and information and communications technologies (ICT). Larger CSOs have access to modern office equipment, such as laptops, desktop computers, and photocopiers. Small CSOs at the local level have less access to the internet and modern office equipment; instead, they often rely on staff members' personal mobile phones. CSOs use social media to promote their activities, but rights-based CSOs are reluctant to use social media to raise social issues due to concerns about the cybercrime law.



FINANCIAL VIABILITY: 4.6



Overall financial viability of the CSO sector did not change in 2018.

Foreign funding is a significant source of support for Nepali CSOs. In 2018, 723 CSOs received SWC approval for 1,181 foreign-funded projects amounting to almost NPR 17.5 billion (\$157 million). In addition, the SWC granted approval to 143 INGOs for projects worth more than NPR 18.5 billion (about \$166 million) in 2018. Three new INGOs became affiliated with the SWC in 2018, but their identities are unknown. No INGOs left the country in 2018, though the country office for Search for Common Ground is scheduled to close by April 2019.

The United Kingdom's Department for International Development (DFID) launched the \$40 million Purnima Program in 2018 to provide technical and infrastructure

support to local governments in the earthquake affected districts of Rasuwa, Nuwakot, Dhading, and Gorkha. The program also mobilized twelve local CSOs to assist people with disabilities, single women, senior citizens, the extremely poor, and internally displaced people in the districts.

Some government agencies like the SWC, PAF, Ministry of Youth and Sports, and MoWCSC provide some funding to CSOs. In 2018, through a call for proposals, the SWC awarded grants from the federal budget totaling NPR 10 million (about \$90,000) to thirty-three CSOs, with individual grants ranging from NPR 200,000 to NPR 400,000 (\$1,800 to \$3,600). The SWC had not provided any grants to CSOs in 2017. In 2018, MoWCSC awarded approximately NPR 100.9 million (about \$900,000) in grants to 280 CSOs from fifty-eight districts of seven provinces, with grant amounts ranging from NPR 100,000 to NPR 7.5 million (about \$900 to \$67,000). The total awarded by MoWCSC in 2018 was significantly less than in 2017, when it awarded NPR 221 million (about \$2.1 million). CSOs also received funds from rural municipalities, but data on actual amounts are not available. CSOs often criticize government offices for not having transparent selection processes.

Over 32,000 CBOs have received funding from PAF since its establishment in 2003, almost all of which are involved in income-generating activities like agriculture and raising chickens and goats. In total, 900,628 households are expected to benefit from PAF interventions.

A large number of companies have created their own foundations through which they channel their corporate social responsibility (CSR) funds. For example, Chaudhary Group Nepal established the Chaudhary Foundation to celebrate the memory of billionaire Binod Chaudhary's father and to promote the company. In 2018, a dozen banks supported CSOs. For example, Agricultural Development Bank provided NPR 385,000 (about \$3,500) in goods like heaters and TVs to Siddisaligram Senior Citizen Shelter; Sunrise Bank donated NPR 500,000 (about \$4,500) to Biratan Nepal to help orphans and other vulnerable children; and Senchuri Bank gave NPR 200,000 (about \$1,800) to Enable Nepal to procure prosthetic hands for children. Janata Bank donates NPR 500,000 (about \$4,500) per year to Teach for Nepal to pay teachers to work in remote schools.

CSOs sometimes engage in fundraising activities. For example, Dhurmush Suntali Foundation (DSF) used social media to raise funds from college students, Nepalis in the diaspora, and others to build an international cricket stadium in Chitwan. DSF also started to plan a cricket tournament that will take place in 2019 and is expected to raise another 3 billion NPR (\$27 million) to build the stadium. According to the Charities Aid Foundation's World Giving Index 2018, 33 percent of respondents in Nepal donated money and 27 percent volunteered their time in 2017, compared to 36 percent and 29 percent, respectively, in 2016.

Membership-based organizations like CSO networks, alliances, and cooperatives typically collect annual membership dues, but these are generally small amounts that do not generate much revenue. Other CSOs earn revenue by charging for goods and services. For example, Tilganga Institute of Ophthalmology provides paid goods and services for eye care. Similarly, Tewa and the Resource Identification Management Society-Nepal (RIMS-Nepal)

earn revenue by providing capacity building and research services, renting out meeting space and vehicles, and selling handmade goods.

By law, CSOs must submit their annual audited financial reports and narrative reports to their respective DAOs in order to renew their registrations. If they fail to submit such reports, executive committee members can each be fined up to NPR 500 (\$4.50), although there are no known instances of these penalties being imposed. Active CSOs generally fulfill these requirements. Some national-level CSOs have sound financial management systems including accounting software and have had their accountants trained by donors like FHI 360 and DanChurchAid.

ADVOCACY: 3.8

Nepali CSOs made more efforts to conduct evidence-based advocacy in 2018. CSOs engaged in roundtable discussions with government actors at different levels to contribute to the law-making process. Local-level CSOs typically are involved in service delivery, while national-level CSOs are more involved in policy advocacy.

The preamble of the 2015 constitution envisions a “participatory principle” in nation-building by guaranteeing the freedoms of association and expression. Similarly, the Good Governance Act, 2008 provides for CSO engagement in policy planning and program implementation at various levels. In practice, however, federal-and provincial-level CSO leaders have little access to parliamentarians and local elected representatives. Some government officials, such as chief district officers and judges, are reluctant to participate in CSO programs.

The Ministry of Law, Justice and Parliamentary Affairs identified 174 laws that need to be amended or repealed to align with the new constitution. All such laws must be revised by March 2019, or they will be considered invalid to the extent they are inconsistent with the constitution. The need for new laws to adjust to the new federalist system prompted active discussion among CSOs about the laws that impact them. Against this backdrop, the Nepal Law Commission (NLC) drafted the SOA with the input of CSOs. CSOs submitted recommendations to the NLC and line ministries on the draft SOA and lobbied with respective secretaries of the line ministries and parliamentary committees. In addition, with support from CS-MAP, NFN, GoGo Foundation, and South Asia Partnership Nepal (SAP-Nepal) organized a series of consultation meetings to advance the discussion of CSO-related laws.

NFN organized the Multi-Stakeholder Dialogue on Civic Space and Enabling Environment, involving representatives from CSOs, media, and the government, in March 2018 and the Consultation on CSO Laws, Position Paper and CSO Roadmap in June 2018. In March 2018, NFN also organized a meeting between CSO leaders and the Minister of Karnali Province to provide an opportunity to raise grievances and provide feedback on CSO issues, such as the legal environment and negative media coverage of the sector. Similarly, GoGo Foundation organized a multi-stakeholder dialogue involving civil society, government, and media on CSO self-regulation in the districts.

The National Planning Commission (NPC), in consultation with CSOs, prepared a draft five-year national plan (2019-2024) with a twenty-five-year vision to realize the national goal of Prosperous Nepal, Happy Nepali. The government also appointed three CSO leaders to federal and provincial planning commissions.

In September, NFN in collaboration with NPC and UNDP organized a celebration of the third anniversary of the adoption of the Sustainable Development Goals (SDGs). CSOs also participated in the SDG Forum Coordination Meeting organized by NFN in December 2018, where they discussed the status of SDG implementation in Nepal. During the program, a member of the NPC assured the CSOs that the NPC will not take steps to shrink civic space, specifically the freedom of association, press freedom, and right to information (RTI).

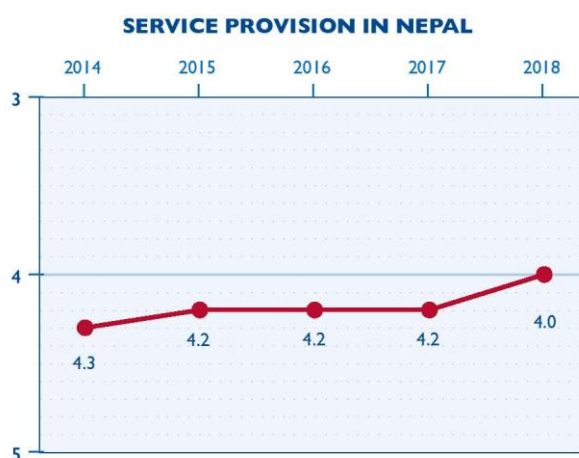
In 2018, civil society also engaged in advocacy related to justice and anti-corruption. For example, CSOs fought for justice after the rape and murder of a thirteen-year-old girl in Province 7. They launched campaigns to prosecute



and harshly punish the perpetrator, and even sent a delegation from far western Nepal to Kathmandu to attract the federal government’s attention. Dr. K.C. Govinda, a renowned surgeon and philanthropist, went on a hunger strike to demand reforms to rid medical education of corruption, including the withdrawal of a National Medical Education Bill. A group of high-level civil society leaders submitted a memorandum on anti-corruption and submitted it to Prime Minister Oli and the Speaker of the House of Representatives. The prime minister promised “zero tolerance against corruption,” and the event received wide media attention. However, no concrete actions were taken in response to the memorandum.

Nepalese CSOs in association with INGOs advocated against the National Integrity Policy, which led the government to withdraw the policy. As described above, the Policy provided for various restrictions on INGOs and CSOs, such as requiring project approvals and asset declarations of CSO members.

SERVICE PROVISION: 4.0



CSO service provision improved moderately in 2018.

Nepalese CSOs continue to offer a wide range of services to empower marginalized communities such as awareness raising, livelihood development, health, education, agriculture, livestock, environmental protection, human rights, good governance, RTI, gender-based violence, and legal aid. In 2018, some CSOs like Maiti-Nepal and the Women's Rehabilitation Centre (WOREC) Nepal continued to provide protection and assistance to migrant workers and victims of human trafficking, while others continued to support earthquake-affected areas through housing construction, health and hygiene awareness, education, and income generation.

CSOs generally treat needs assessments as a basic requirement before launching new projects. Some CSOs, however, do not conduct such assessments for small projects.

Most CSOs provide their services for free, but some charge nominal fees to generate income. For example, Tilanga Eye Hospital charges nominal fees for vision checkups and eye-related medical services. However, most CSOs cannot recover the cost of the services they provide, as they do not have effective marketing strategies or long-term visions for their service delivery. CSOs produce a wide range of publications, but donors require the publications they support to be circulated free of charge.

In 2018, CSOs increasingly collaborated with local governments. For example, Karnali province contracted with CSOs, including Social Awareness Center (SAC) Nepal, Sundar-Nepal, Aarati Nepal, and Creative Paramarsha Sewa, to prepare comprehensive profiles of the rural and urban municipalities in the province, including information such as demography, natural resources, and road access. Most DAOs engage CSOs in joint monitoring of the quality of goods and services.

CSOs freely distribute their knowledge products during workshops and discussion programs to government officials, academia, business executives, and religious representatives. As required by law, CSOs offer their goods and services without discrimination regarding race, gender, ethnicity, or sexual orientation. However, it is difficult to determine if some CSOs discriminate based on political affiliation.

The SWC, local governments, and MoHA continue to recognize CSO leaders. For example, CNN Hero 2010 awardee and founder of Maiti-Nepal, Anuradha Koirala, was appointed as Governor of Province 3 in 2018. Likewise, two CSO members were appointed as members of the Probing Committee on Irregularities of SWC to investigate potential mismanagement by the SWC.

SECTORAL INFRASTRUCTURE: 4.3

The infrastructure supporting Nepalese CSOs improved slightly in 2018.

Some national-level CSOs, such as Rural Reconstruction Nepal (RRN) and Group of Helping Hands (SAHASH) Nepal, serve as intermediary support organizations (ISOs) that provide capacity development and financial support to other CSOs. A few research organizations like Social Science Baha and Martin Chautari have modest information resources that CSOs can access. Most private training institutions charge fees for training, while CSOs provide training for free with donor support. Membership-based organizations like NFN and the Federation of Nepali Journalists (FNJ) provide capacity development trainings and networking opportunities to their members. At the district level,

some local organizations also provide some resources to CSOs. For example, in Banke district of Province 5, Bageswori Asalhan Club (BAS) has developed some advocacy-related resources, including various programs on mobilizing youth.

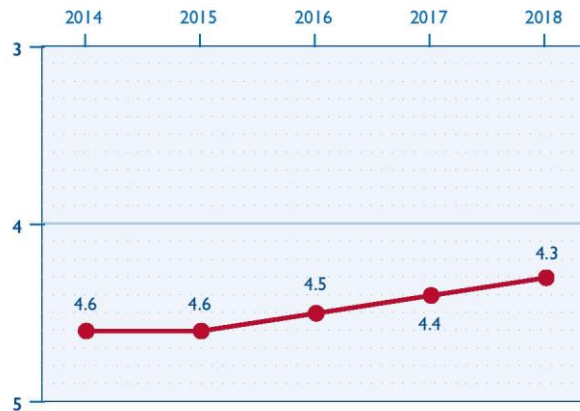
In 2018, INGOs like FHI 360 and DanChurchAid issued grants to local CSOs such as RIMS-Nepal, GoGo Foundation, and Nepal Society of the Disabled (NSD) to implement CSO governance, livelihood, and humanitarian activities. These projects helped grantees to build their capacities in program management and operations. Some local organizations like RRN and GoGo Foundation also provided grants to local CSOs. Similarly, in 2018, DFID provided funds through Mott MacDonald to more than a dozen local CSOs under the Purnima Program, which aims to “Leave No One Behind” in four earthquake-affected districts of Nepal.

CSOs are developing a culture of coalition building that has led to the formation of a dozen sectoral CSO networks on topics such as food rights, natural resource management, health, and cooperatives. The CSO-Social Accountability Alliance Nepal (CSO-SAAN) was formed in 2018 to promote social accountability in health and other sectors. Other CSO networks and alliances include the Human Rights Alliance, NEOC, Dalit NGO Federation, Federation of Community Forestry Nepal (FECOFON), and youth networks.

Dozens of CSOs and private institutions offer a wide array of trainings that are relatively affordable to CSOs. For example, NEPAN organized training for district-based project partners of the CS-MAP project on CSO internal governance. Similarly, GoGo Foundation provided training on social accountability tools to thirty CSO partners and forty youth clubs to enable them to advocate for better school governance in Province 2. Most training is provided in Kathmandu. Due to high staff turnover, CSOs need regular training. Training materials, including printed and audiovisual resources, are available in Nepali and English.

CSOs work in partnership with the government on many initiatives, and the government engages CSOs in joint monitoring of the quality of goods and services. CSOs are also engaged in monitoring community schools and helping local councils to organize public hearings and audits. Similarly, the Office of the Auditor General (OAG) engaged local CSOs in audit processes including joint monitoring of health education and human rights. CSOs also share knowledge and experience in different forums organized by ministries and local councils. Furthermore, CS-MAP has encouraged CSOs to work with media, the private sector, and the government on the drafting of new laws like the SOA and the Information Technology Bill.

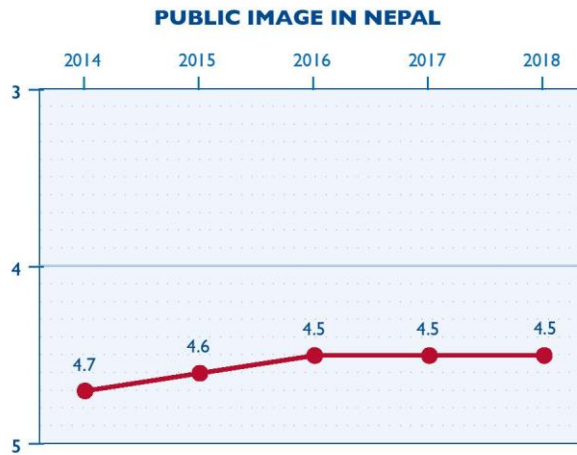
SECTORAL INFRASTRUCTURE IN NEPAL



PUBLIC IMAGE: 4.5

The public image of Nepalese CSOs did not change significantly in 2018.

Local media provides more coverage of CSO activities than national media. Local media covers CSO events, but often expects CSOs to buy advertisements to publicize their achievements and news. While the tone of the coverage is mixed, the media generally shows appreciation for large charitable efforts. In 2018, for example, the



media widely covered the social initiatives of DSF, founded by a popular comedian who has promised to build Gautambuddha International Cricket Stadium in Province 3. The signing of a land acquisition agreement for the stadium was well-publicized, with Prime Minister Oli and CPN Chairman Prachanda present. No media houses have journalists specialized in CSO reporting. Continued dialogue between media and CSO leaders has facilitated understanding between the sectors, countering the traditional media portrayal of CSOs as “dollar harvesters,” nepotists, and promoters of Christianity.

Mainly urban and semi-urban people seem to understand the concept of CSOs and support their activities. While no surveys or public polls were conducted in 2018 on public perceptions of CSOs, CSOs working in

earthquake-affected areas have consistently received positive responses in these communities. The public expects CSOs to provide critical viewpoints to serve the larger public interest. However, there continue to be public concerns about CSOs’ poor internal governance, partisanship, and lack of transparency in their funding and programming.

The government had a better perception of CSOs in 2018. During CSO forums, government officials and parliamentarians openly praised CSOs’ contributions to sustaining democracy and promoting peace in Nepal. At the same time, however, government authorities expect similar levels of effort in terms of CSOs’ contributions to development and national prosperity.

CSOs and media developed stronger relationships in 2018 through CS-MAP initiatives. In addition, CSOs increasingly use social media to advance their causes. Most urban-based CSOs try to promote their activities through websites, audio and video products, social media, and occasional press releases.

Most CSOs do not publish hard copies of their annual reports, instead using their websites and social media to attract donors and supporters. A few CSOs use social audit tools in lieu of annual reports, publishing programmatic and financial details, and responding to queries.

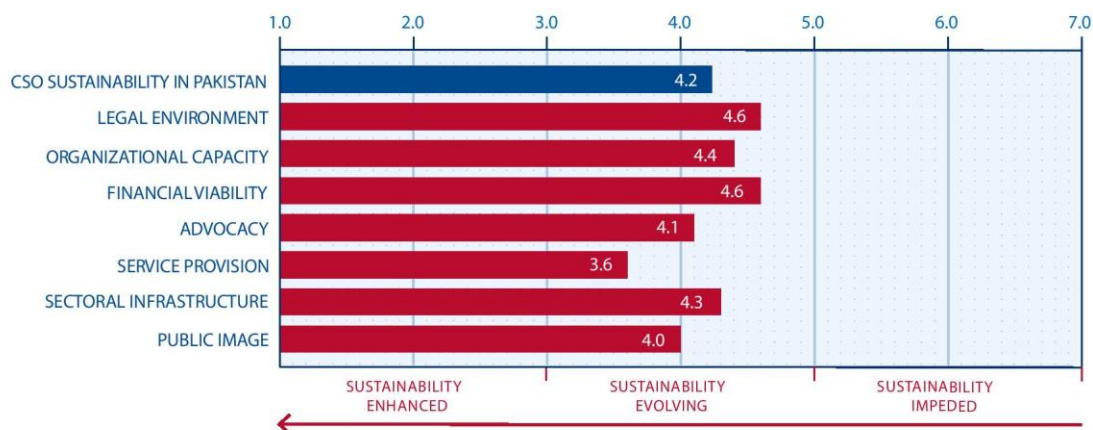
NFN encourages all CSOs to apply the codes of conduct it has adopted for its members. However, in 2018, several INGOs and domestic CSOs, such as Nepal Red Cross Society, were accused of corruption in their resource management. As discussed above, CSOs successfully advocated against the government’s introduction of the National Integrity Policy, which would have required CSO members and affiliates to make asset declarations.

CSOs continue to adopt internal governance policies. In 2018, GoGo Foundation continued to draft policy frameworks for issues such as anti-corruption and anti-harassment that other CSOs can use as models. CS-MAP also aims to improve CSO self-regulation. ICNL organized several consultations with media on CSO self-regulation and shared its international perspective on CSO laws. Similarly, GoGo Foundation, NFN, Freedom Forum, SAP Nepal, and CS-MAP partners continued to promote CSO self-regulation in 2018 through their internal transparency and accountability procedures, as well as by providing trainings, roundtable discussions, and information.

PAKISTAN

Capital: Islamabad
Population: 207,862,518
GDP per capita (PPP): \$5,400
Human Development Index: Medium (0.562)
Freedom in the World: Partly Free (43/100)

OVERALL CSO SUSTAINABILITY: 4.2



In July 2018, Pakistan held elections for the National Assembly (the lower house of parliament) and the four provincial assemblies, resulting in a clear majority for the Pakistan Tehreek-e-Insaf party over the incumbent Pakistan Muslim League (Nawaz). According to observers from the European Union (EU), there were fewer violent incidents in these elections than in previous years. The election results included many historical achievements. For the first time, a candidate from the minority Hindu community won a seat in the parliament, not through reserved seats, but as a candidate with a mainstream party platform, the Pakistan People’s Party. A record number of women candidates (464) ran in the direct elections for the National Assembly and provincial assemblies, potentially due to the requirement of the Election Act 2017 that political parties ensure that at least 5 percent of their candidates are women. However, only sixteen women were elected. In another first, a Hindu woman was elected to the Senate (the upper house of parliament) in March 2018.

Pakistan’s economy remained under pressure in 2018, with a widening trade deficit, circular debt, and decreasing foreign reserves. The outgoing government significantly slashed tax rates for 1.2 million people of the low earning salaried class, placing increased pressure on government resources. The new government adopted austerity measures, increased utility prices, and decreased development budgets, which led to more inflation. According to the Economic Survey of Pakistan 2017-18, 24.3 percent of the population live below the poverty line. Increased inflation and unemployment seem to have increased the demand for basic services, such as health and nutrition, from CSOs.

The country’s ranking in Transparency International’s Corruption Perception Index 2018 improved slightly, from a score of 32 in 2017 to 33 in 2018. Its ranking in the Ease of Doing Business Index jumped eleven places to 136th.

According to the Pakistan Institute for Conflict and Security Studies (PICSS), terrorist activities in Pakistan dropped by 45 percent in 2018.

Overall CSO sustainability did not change significantly in 2018, although the legal environment, organizational capacity, financial viability, and advocacy dimensions all recorded slight deteriorations.

CSOs in Pakistan are engaged in a variety of areas, both in service provision and advocacy. Those involved in service provision work in health, education, poverty alleviation, employment generation, and economic empowerment, among other areas. Advocacy and rights-based organizations work on issues such as women’s empowerment, minority rights, and child labor.

The exact number of registered and unregistered CSOs in the country remains unknown. A 2002 estimate placed the number around 45,000 while a statement in 2010 by the Minister for Social Welfare and Special Education placed the number between 100,000 and 150,000. Approximately 40 percent of CSOs in the country are registered under the Voluntary Social Welfare Agencies (Registration and Control) Ordinance. Most of these organizations engage in welfare activities and are very small, with annual budgets of under \$500. Another estimated 40 percent of organizations are registered under the Societies Act of 1860. In addition to organizations that operate as typical NGOs, which are the focus of this report, religious madrassas may also choose to register in this manner. The remaining 20 percent of organizations include lawyers' associations, farmers welfare bodies, endowment funds, cooperative societies, employee benefit schemes, citizens community boards, and not-for-profit organizations. According to the Security and Exchange Commission of Pakistan (SECP), there were 906 nonprofit companies as of June 2018.

According to the website of the Ministry of Interior (MoI), 144 international non-governmental organizations (INGOs) have applied for registration since October 2015. Of these, as of the end of 2018, registration had been completed for seventy-two, twenty-five applications were still pending, and eighteen applications had been denied; the status of the other twenty-nine applications is unknown. Other than those registered with SECP or MoI, there is little information on the number of registered CSOs. All other registration authorities fall under the purview of provincial governments.

LEGAL ENVIRONMENT: 4.6



The legal environment governing CSOs deteriorated slightly in 2018 due to problems implementing the existing laws.

CSOs have a number of options for registration in Pakistan. More than a dozen laws deal with the registration of CSOs and recognition by tax authorities as not-for-profit organizations. CSOs mainly register under four laws: Societies Act (1860), Voluntary Social Welfare Agencies (Registration and Control) Ordinance (1961), Trust Act (1882), and Companies Act (2017) (formerly Companies Ordinance, 1984). The Social Welfare Department has dedicated offices and trained staff at the regional, district, and tehsil (an administrative sub-unit) level to supervise organizations registered under the Voluntary Social Welfare Agencies

(Registration and Control) Ordinance. The SECP manages nonprofit companies through its regional presence, while societies are managed at the district level. Some CSOs register under multiple laws, such as the Societies Act and the Voluntary Social Welfare Agencies (Registration and Control) Ordinance.

To register under the Voluntary Social Welfare Agencies (Registration and Control) Ordinance, an organization can submit its application for free to the Social Welfare Officer Community Development Project which is usually present at the tehsil level. The accessibility of and guidance by Social Welfare Officers at the grassroots level is likely a big reason why so many organizations choose to register under this law. Registration under the Societies Act is similar: applications are submitted at the district level, and usually the Deputy Commissioner authorizes a staff member to serve as the registrar and process the applications.

Once registered, CSOs generally can operate freely throughout the country. Nonetheless, there are some geographical regions, such as the former Federally Administered Tribal Areas (FATA), where CSOs still require No Objection Certificates (NOCs), or letters of approval, from government departments to operate. The requirements to obtain NOCs and the offices responsible for issuing them differ among the provinces. For example, the Provincial Disaster Management Authority (PDMA) of the Khyber Pakhtunkhwa province issues NOCs to CSOs that plan to engage in relief, recovery, and rehabilitation programs in the province.

Over the past several years, the government has introduced counter-terrorism financing and anti-money laundering measures under the National Plan of Action to comply with requirements of the international Financial

Action Task Force (FATF). For example, since 2013, CSOs have had to notify the Economic Affairs Division (EAD) when they receive foreign funding directly. To ensure that international funding is being utilized as intended and is aligned with government priorities, funding contracts and project details must be shared with EAD and implemented accordingly. In most cases, CSOs can use the receipt issued by the EAD when it receives the application as tentative approval to proceed with the proposed project until further orders. Applicants have complained about delays in the process, however, According to EAD’s website, as of January 2019, fifty-four CSOs have been registered to receive foreign funding since November 2013, while the applications of seventy-three organizations remained pending.

There are reports that the Social Welfare Department in Punjab province cancelled the registrations of approximately 3,700 organizations in 2018, either because of non-compliance, involvement in anti-state activities, or dormancy. In late 2017, the government ordered twenty-seven INGOs, most of which worked on human rights issues, to shut down their operations in the country for working in unauthorized areas. Eighteen of these organizations appealed these orders. In October 2018, the government denied their appeals, giving them sixty days to leave the country. Shireen Mazari, the Pakistani human rights minister, tweeted that the organizations were denied registration for “spreading disinformation.”

Tax treatment of CSOs and charitable donations did not change in 2018. CSOs can receive income tax exemptions if they are approved by the concerned Commissioner of the Federal Board of Revenue (FBR). To obtain tax exempt status from FBR, a CSO must submit an evaluation report from a certification agency, such as Pakistan Centre for Philanthropy (PCP). The evaluation report covers seven areas: legal and regulatory compliance; general public utility; institutional mechanisms for oversight; compliance with tax laws; financial management; policies; and program delivery. The Commissioner also has the discretion to form an internal committee to evaluate a CSO, thus bypassing the need for an external evaluation report. Tax exemption requests are supposed to be completed within two months, but in practice, this process takes much longer. Individuals and corporations that donate to CSOs listed by the FBR can receive a 30 percent and 20 percent tax credit, respectively.

Generally, CSOs are allowed to engage in economic activities, including competing for government contracts and charging for services. However, any surplus income must be used to achieve the objectives specified during registration. Except for those declared as “proscribed organizations” by the government under the Anti-Terrorism Act, CSOs are allowed to run fundraising campaigns and collect funds from individuals and corporations. Two organizations were deemed “proscribed” in 2018.

The availability of legal expertise pertaining to CSO registration and other matters is low because there is limited demand for such services. Many CSOs seek legal support from stronger organizations in the sector. For a fee, small CSOs can seek support in filling out documentation at local registration offices.

ORGANIZATIONAL CAPACITY: 4.4

The CSO sector’s organizational capacity deteriorated slightly in 2018 as a result of the cumulative effect of the difficult legal and financial environments over the past five years.

CSOs of different types and sizes continue to differ vastly in their levels of organizational capacity. PCP classifies CSOs based on their annual financial receipts. Large CSOs have receipts of PKR 10 million (about \$62,500) or more; medium-sized CSOs have receipts between PKR 1 to 10 million (about \$6,250 to \$62,500); and small CSOs have receipts of less than PKR 1 million (about \$6,250). Generally, large CSOs operate across the country, medium organizations operate in one or more provinces, and small CSOs operate in one or a few districts.



Large CSOs that are well-funded by donor agencies or the government are able to build and maintain their constituencies. For example, the Rural Support Programs (RSPs), such as Sindh Rural Support Organization (SRSO) and Baluchistan Rural Support Program (BRSP), which are funded by provincial governments and development agencies, are able to maintain and serve their constituencies. Similarly, large, well-funded organizations that have built their image and earned public trust by providing exemplary services have been able to expand their services and constituencies as a result. Some of these include The Citizen Foundation (TCF), Edhi Foundation, Shaukat Khanum Memorial Cancer Hospital and Research Centre (SKMCH&RC), and Sindh Institute of Urology & Transplantation (SIUT). For example, SKMCH&RC is constructing its third hospital in Karachi, thereby expanding the number of people it serves. On the other hand, small and medium-sized CSOs that rely on international funding have increasing difficulty continuing their services due to gradually decreasing resources.

Large organizations have clear missions and strategic plans that they review regularly and are able to implement. Small and medium-sized organizations generally have mission statements, but not strategic plans. Such groups generally work on a project basis and frequently alter or deviate from their missions in pursuit of project funding.

Larger CSOs maintain strong internal management systems with clearly defined divisions of roles and responsibilities, especially between staff and governing bodies. In these well-established organizations, members of the governing board contribute to policy-making and strategic direction for the organization, with minimal interference in operations. Smaller CSOs, especially grassroots organizations, often have blurred separation of responsibilities between governing and executive bodies. In these organizations, governing boards often exist to fulfill legal requirements and their members engage in routine operational matters, which can create conflicts of interest.

Some medium-sized and grassroots level organizations also have relatively strong organizational capacities. Some of these CSOs have strong connections to their communities and track records of delivering goods to their communities in a transparent and accountable manner. Furthermore, the fact that community-based and small organizations across Pakistan receive funding from USAID and the United Kingdom's Department for International Development (DFID) demonstrates that there are smaller CSOs that can meet donors' due diligence requirements, including internal controls, strong financial management, and clear visions and missions.

Although there are many professionals in the sector, CSOs face difficulties recruiting and retaining staff for the long-term, primarily due to their reliance on project-based financing. CSOs often hire employees on a contractual basis or engage volunteers and interns. In most cases, a CSO's ability to build the capacity of its staff is linked with the availability of financial resources, particularly donor funding, for such activities. Well-established and resourceful organizations follow standard human resource practices, while smaller ones that rely on project-based funding sometimes struggle to maintain such standards.

Most CSOs, regardless of size, have access to basic technology and office equipment, such as computers, printers, faxes, telephones, and the internet. CSOs use email and social media to reach their supporters, beneficiaries, and the public. However, the capacity to hire highly skilled professionals depends on the availability of resources and the needs of organizations. Large CSOs are able to hire specialized information technology (IT) professionals to maximize their use of information and communications technologies (ICT), such as photography and videography, website maintenance, and use of YouTube and other social media channels. Smaller CSOs usually seek IT support only as needed.

FINANCIAL VIABILITY: 4.6

Financial viability of CSOs declined in 2018, due to decreased foreign funding. Funding for CSOs comes from a variety of sources including donations by local philanthropists and the corporate sector, grants and donations from bilateral and multilateral agencies, grants from government departments, membership fees, and service charges.

Although CSOs draw funds from multiple sources, a significant part of their funding is foreign in origin, either coming directly from donors or indirectly through local grant-making organizations. According to the Doing Good Index 2018, Pakistan is one of the few countries in the South Asia region where more than 50 percent of social delivery organizations, of which only a few hundred CSOs in the country are considered, benefit from foreign funding. Major international donors to CSOs include the World Bank, USAID, DFID, KfW (the German state-



owned development bank), GIZ (German development agency), and the United Nation’s International Fund for Agricultural Development (IFAD).

While there is no reliable data on the overall level of foreign funding, many CSOs believe that foreign funding has decreased significantly during the last few years, in part due to regulatory measures adopted since 2015 that aim to promote transparency and accountability and prevent terrorist financing. According to a spokesperson of the Pakistan Humanitarian Forum (PHF), an umbrella organization of forty-five INGOs, the eighteen INGOs that were forced to shut down their operations in the country in 2018 had contributed \$130 million in assistance to the country. Many in civil society believe that fewer INGOs in the country means less financial

assistance to local CSOs, while others believe that more foreign funding could be channeled to local CSOs in the absence of INGOs.

A study by PCP found that the public makes charitable donations of about PKR 240 billion (\$1.7 billion) annually, which is around 1 percent of the country’s gross domestic product (GDP) and comparable with many developed countries. However, only 33 percent of respondents in the study indicated that they donated to organizations.

Corporate social responsibility (CSR) continues to increase. CSR spending by publicly listed companies, which constitute just around 1 percent of the corporate sector, increased from PKR 230 million (\$1.6 million) in 2000 to PKR 7.56 billion (\$53.4 million) in 2017, the most recent year for which data is available. According to a survey by PCP, 31 percent of companies indicated that they prefer to partner with CSOs—rather than partnering with the government, establishing their own CSOs, or working directly with beneficiaries—to spend their philanthropic budgets, making this a huge potential source of CSO funding. A significant number of publicly unlisted and private companies (48 percent and 40 percent respectively) reported engaging in social development causes during 2017/18.

Religiously motivated giving in Pakistan culminates during Ramadan, a month of strict religious observance. Large CSOs such as TCF, SIUT, and SKMCH&RC usually run fundraising campaigns including advertisements on print and electronic media to gather *zakat* (Islamic required giving) and other charity. SKMCH&RC, for example, received around PKR 3 billion (\$21 million) in *zakat* in 2018, more than three times the amount it received in 2010. Mosques, madrassas, and religiously-affiliated CSOs collect faith-based donations through donation boxes, door-to-door solicitations, and appeals through signs hung in public, among other means. Smaller and most medium-sized CSOs lack the capacity to run marketing campaigns or collect many donations. Furthermore, individuals tend not to trust smaller, lesser-known CSOs with their donations.

Technological advancement and easy access to ICTs have enabled CSOs to use crowdfunding and other forms of online fundraising. For example, the Institute for Development Studies and Practices Pakistan collected \$146,941, through the Give2Asia platform in 2018. CSOs of all types use email, websites, Facebook, and YouTube to reach potential donors and promote their causes, although the effectiveness of these tools is unknown.

CSOs, particularly professional associations and societies, also receive funds through membership fees. For example, Pakistan Society of Development Economists (PSDE) charges a membership fee of PKR 2,000 (about \$13). Most CSOs are not able to cover costs through user charges given that they work with the poorest segments of society, so user charges are typically nominal.

Some well-established CSOs have partnered with provincial governments in the education and health sectors. For example, under a 2015 partnership agreement, the Department of Health of Sindh province contracted with the CSO Integrated Health Services (IHS) to manage 105 rural health centers and six Tehsil Headquarter Hospitals in twenty districts. Similarly, Health and Nutrition Development Society (HANDS) manages thirty-four health centers in Malir district of Sindh province. However, according to newspaper reports in early 2019, the provincial government was not happy with the performance of some partners and stopped their funding. Other provinces have outsourced the management of public schools to CSOs. For example, TCF manages 257 schools in Punjab acquired through the autonomous statutory body Punjab Education Foundation (PEF); forty-three schools with

funding awarded by the semi-autonomous statutory body Sindh Education Foundation (SEF); and five government schools each in Khyber Pakhtunkhwa and Baluchistan.

Generally, CSOs of all sizes have sound financial management systems, employ full-time finance professionals, and undergo regular internal and external audits. CSOs strive to adhere to sound financial management practices as these are needed to access donor grants. All CSOs are required to undergo regular external audits and submit audited financial reports annually. Smaller organizations find it more difficult to fulfill these requirements, but still make efforts to do so. In most cases, no penalties are imposed for non-compliance, but in some cases, registration is canceled and then restored once the requirements are fulfilled.

ADVOCACY: 4.1

Advocacy deteriorated slightly in 2018.

A number of mechanisms provide CSOs with the opportunity to raise their concerns with the government. The National Commission for Human Rights is a constitutional body comprised of civil society activists from across Pakistan. Other official bodies such as the Human Rights Commission of Pakistan and the Parliamentary Committee on Human Rights also provide CSOs with opportunities to raise voices and share concerns. However, CSOs have not taken full advantage of these avenues, possibly due to lack of awareness. In November 2018, the Senate Standing Committee on Human Rights and civil society expressed concern over the government's decision to bar eighteen INGOs from operating in the country. The President of Pakistan and federal ministers attend CSO events.

In addition, the Sustainable Development Policy Institute (SDPI), a think tank and CSO chaired by the Minister of Interior at the beginning of 2018, provides a platform to convey CSOs' concerns to the government. The Pakistan Poverty Alleviation Fund (PPAF), the largest social fund in the country, also serves as a platform to raise issues. It is connected to over 200 CSOs and includes representatives of government departments, academia, civil society, and others. Other CSO platforms include the Pakistan Humanitarian Forum, National Humanitarian Network, and Pakistan Civil Society Forum.

Numerous CSOs in the country conduct advocacy on diverse issues. For example, CSOs raised public awareness of the problem of violence against domestic workers, particularly after the discovered abuse of a ten-year-old maid in December 2016. As a result of increased attention to this issue in previous years, the Islamabad Capital Territory Child Protection Act (2018) was enacted in May 2018 to prohibit the employment of children and to regulate the employment of adolescents in certain fields of work. Civil society has increasingly demanded a complete ban on child labor, and courts ruled in this direction in some instances. For example, in response to a petition filed in March 2018, the Lahore High Court directed the Punjab government to adopt rules regulating and monitoring domestic service to ensure that children below the age of fifteen are not used as domestic servants.

Meanwhile, in a major development, in October 2018 the Supreme Court acquitted Asia Bibi, a Pakistani Christian woman earlier sentenced to death by lower courts on blasphemy charges. Civil society activists expressed support for her, mainly on social media. The decision led to protests and sit-ins by religious groups, but those ended peacefully when they were allowed to legally challenge the decision. The government later moved against the clerics who led the protests against Asia's acquittal and arrested them for blocking a main road leading to the capital for several days. In early 2019, the Supreme Court upheld its decision, thereby removing the last hurdle to Asia's release from prison. Though blasphemy remains a sensitive issue, many in civil society hope that the Supreme Court's decision will discourage people from misusing the law to serve personal interests and suppress minorities.



Many CSOs, such as TransAction, Blue Veins, Wajood, and Forum for Dignity Initiatives (FDI), promote the rights of transgender individuals in the country. In another landmark development, both the National Assembly and the Senate of Pakistan approved the Transgender Persons (Protection of Rights) Bill 2017 in May 2018. The bill, which was drafted by a task force that included an activist associated with the CSO Naz Pakistan, protects the rights of transgender persons and empowers them to determine their own gender identity. With the passage of the bill, Pakistan became one of the few countries in the world to recognize the gender identity ascertained by transgender individuals. In another first, Khyber Pakhtunkhwa issued drivers licenses to fifteen transgender persons in March 2018.

While civil society had some advocacy successes in 2018, the newly elected government seemed to stay committed to implementing the actions stipulated under the National Plan of Action to Counter Terrorism, which was enacted in 2014. Many CSOs view this commitment as a barrier to their work, while others view it as a way to ensure accountability in the sector.

There were some efforts in 2018 to introduce new laws governing the CSO sector. For example, provincial governments reportedly have tried to follow the lead of Punjab, which established the Punjab Charities Commission in March 2018 through an ordinance. CSOs, however, were not involved in these efforts.

SERVICE PROVISION: 3.6



Service provision remained unchanged in 2018.

Traditional service delivery organizations provide a vast range of services, including education, health, capacity building, small business development, social enterprise, microcredit, agriculture, and livestock. Rights-based organizations focus on areas such as women’s empowerment, child protection, minorities and transgender rights, and environmental protection.

Although CSO services are still largely aligned with the needs and priorities of the communities in which they work, smaller CSOs in particular are increasingly driven by donor agendas. Donors continue to direct funds to projects related to their own priorities rather than those of communities. In response, CSOs, especially smaller ones with financial constraints, create project proposals

that are designed more to win funding than to meet community needs. At the same time, CSOs have shaped some innovative ideas into practical projects to solve community issues. For example, Goat for Water by UpTrade is an innovative bartering model through which water-stressed, rural communities in Sindh purchase solar water pumps using their livestock as currency. RSPs, which both the government and donors favor for distributing grants, still practice “bottoms-up” and “community-driven” approaches. They not only involve local communities in identifying their needs but also try to find local solutions. Moreover, the RSP model engages local communities in cost sharing of projects with free labor and raw material.

CSOs generally provide their services to the public without discrimination. However, some organizations such as cooperatives, employee unions, chambers of commerce, and associations only serve their members. Also, some religious organizations provide services only to members of their particular sects. CSOs involved in research, publications, training, and capacity building offer their products to government agencies and others in the sector. For example, Akhtar Hameed Khan National Centre for Rural Development (AHKNCRD) conducted a training for CSO and government representatives in September 2018 on the role of CSOs in good governance.

Cost recovery by CSOs is typically minimal as they often work with disadvantaged segments of society. Educational and health facilities charge token user fees, but these are mainly intended to discourage misuse of the services rather than to recover costs. CSOs providing professional services or running social enterprises and microcredit facilities recover much of their costs. Microcredit services have been accused of charging poor borrowers excessive service charges. CSOs working in partnership with the public or corporate sector also typically receive payment for services.

The government acknowledges the important role CSOs play in national development, including through public statements. For example, at a briefing organized by HANDS, the former governor of the Sindh province Muhammad Zubair said he appreciated the role of NGOs and that their impact on people’s lives was immense and long-lasting. The government is generally more supportive of CSO service providers than advocacy organizations. For example, procedures such as obtaining registration and NOCs are relatively easy for service-providing CSOs. Government funding is also mostly directed towards service delivery organizations. For example, in December 2018, the federal government granted PKR 5 billion (\$35 million) to Akhuwat, a CSO that provides interest-free microloans.

SECTORAL INFRASTRUCTURE: 4.3

The infrastructure supporting the CSO sector did not change during 2018.

Only a few intermediary support organizations (ISOs) and resource centers offer trainings, workshops, research, and publications to other CSOs in the country. Prominent ones include AHKNCRD, Indus Resource Centre (IRC), Urban Resource Centre (URC), Shirkat Gah - Women’s Resource Centre, and Institute of Rural Management (IRM). As these resource centers are primarily based in urban areas, CSOs in rural areas or smaller cities have limited access to their services. Most ISOs and resource centers rely on foreign funding. Hence, the decrease in such funding, along with the growing tendency of donors to provide only project financing, seems to have constrained their services, including training and capacity-building programs. Many of these organizations are trying to mitigate the loss of foreign funding by charging for their services.

SECTORAL INFRASTRUCTURE IN PAKISTAN



Many organizations receive government or donor funding, which they then channel to other CSOs. Some of these organizations include the PPAF, provincial RSPs, Aga Khan Rural Support Program, Thardeep Rural Development Programme, and Aurat Foundation. For example, PPAF’s Program for Poverty Reduction (PPR) is financed by the Italian Agency for Development Cooperation (AICS) and implemented through seventeen partner organizations in Baluchistan and Khyber Pakhtunkhwa. The Trust for Democratic Education and Accountability (TDEA), a local CSO, manages the USAID-funded Ambassador’s Fund Grant Program (AFGP) for the period 2017-2022, through which it awards grants to local registered CSOs.

Corporate and family foundations also provide funds to CSOs. For example, Hashoo Foundation collaborates with and provides CSR funding from its parent company to local CSOs for projects focused on capacity building and employment generation. Oil and Gas Development Company Limited (OGDCL) granted funding in 2018 to Child Care Foundation (CCF) to establish fifteen schools in Kabirwala District, Khanewal. The project aims to provide free primary education to underprivileged children for thirty-six months.

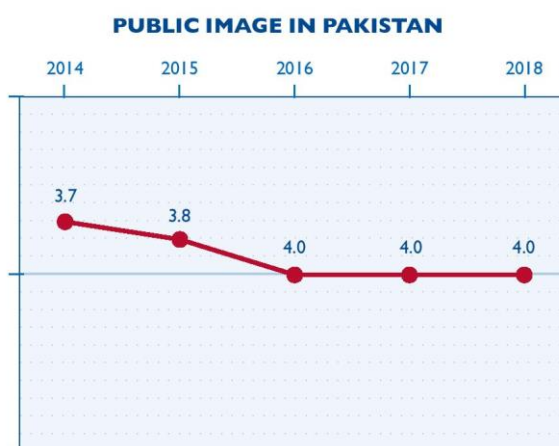
Sector and issue-based coalitions and networks of CSOs exist throughout the country. For example, eleven RSPs are connected through the Rural Support Programs Network (RSPN). The Pakistan Microfinance Network (PMN) has more than forty members, affiliates, and associates. Hum Awaz, a CSO network working on issues impacting the sector as a whole, has around eighty members. The Pakistan Humanitarian Forum (PHF) represents forty-five INGOs delivering humanitarian assistance and development projects in Pakistan. However, there is no central network or coalition aiming to represent the entire CSO sector.

Various ISOs, resource centers, and independent institutions offer CSOs training in areas such as project management, monitoring and evaluation, resource mobilization, governance, finance, and effective management of development funds. In 2018, AHKNCRD provided trainings on topics such as natural resource management, environmental management for rural areas, and disaster risk reduction and management. Through its Community Management Training Program (CMTP), IRM offers trainings in many areas such as community management, leadership, financial management, bookkeeping, gender sensitization, and participatory planning and monitoring.

Though large, well-known CSOs still manage to spend funds on capacity building for their staff, few small and medium-sized organizations can afford these services without donor support.

Many CSOs work with the government, especially in the health and education sectors. To date, Care Foundation has assumed management of 683 public schools through public-private partnerships. The Aga Khan Health Service Pakistan (AKHSP), in partnership with the health department of Khyber Pakhtunkhwa and the administration of district Chitral, manages three rural health centers. CSOs and corporate entities also collaborate to achieve common objectives. While many companies have established their own organizations to manage CSR funds, others partner with CSOs to implement development projects. For example, in 2018, OGDCL signed a memorandum of understanding (MoU) with Cancer Care Hospital and Research Centre Foundation for the treatment of poor cancer patients residing in and around the company’s operational areas. Similarly, OGDCL signed an MoU with Al-Shifa Trust Eye Hospital to conduct twenty-seven free eye care and education events in the company’s operational areas. Some CSOs have even been able to establish cross-border partnerships. For example, the Aman Foundation receives support from the Bill and Melinda Gates Foundation for its Sukh initiative, a program to reach local communities and encourage family planning, contraceptive use, and maternal health.

PUBLIC IMAGE: 4.0



The public image of CSOs remained unchanged in 2018.

Media coverage of CSOs continued to be mixed. National media, both print and electronic, often covers CSOs’ events, especially when political figures attend them. There is less coverage of CSOs’ work and impact. Regional and local media channels continue to give wider coverage to CSOs’ activities than national outlets.

While the public views service-providing organizations favorably, CSOs that are large, foreign-funded, or advocacy-oriented continue to garner negative perceptions. Negative perceptions of rights-based CSOs are more visible in areas such as Khyber Pakhtunkhwa, Baluchistan, and the South of Punjab. Conservative forces in these areas have convinced the public that such CSOs are “agents of the West” and aim to distort Pakistani

cultural values.

The government also has mixed perceptions of CSOs—those engaged in service delivery are viewed positively, while advocacy organizations are viewed negatively. The government is particularly wary of INGOs. This mistrust stems significantly from the allegation that an INGO’s platform was used to run a fake vaccination campaign to locate Osama bin Laden in Abbottabad, Pakistan in 2011.

The business sector’s perceptions of CSOs is unclear. Companies usually route their CSR funds through service-providing CSOs rather than advocacy-oriented organizations. Companies support advocacy organizations only in areas that are not controversial, such as child labor. The business sector might also support service-providing organizations more frequently because businesses seek to invest in projects that produce tangible results in the short-run.

Public relations efforts vary across the CSO sector. Large and well-known organizations are not only able to attract media attention to their events and activities but can also afford to run advertisements on electronic and print media. Small and medium-sized CSOs issue press releases, organize conferences, and develop personal relationships with journalists to promote their public image. Though social media provides a tool for outreach and image building, many CSOs lack the know-how to use it effectively.

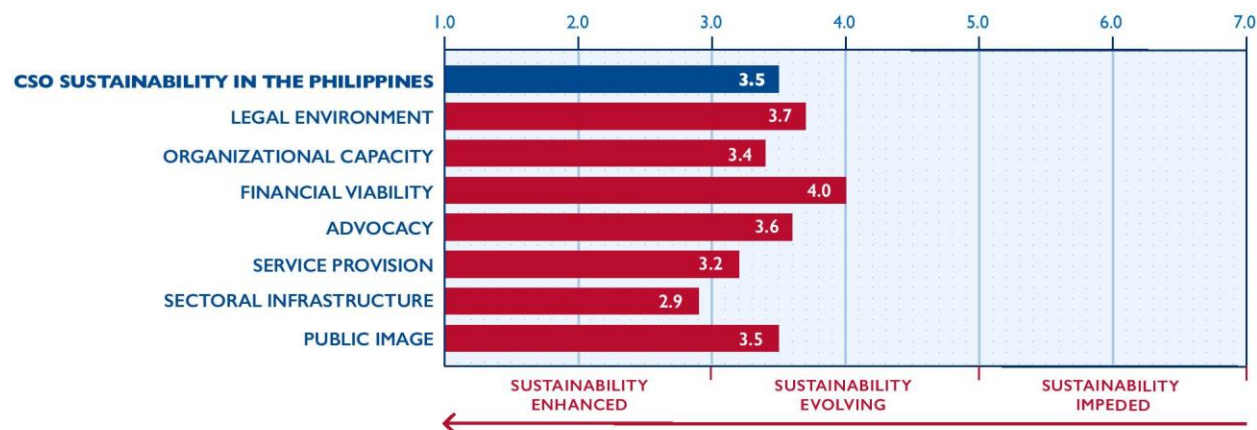
Transparency and accountability in the CSO sector continue to improve for two main reasons: donors and contributors increasingly expect accountability from CSOs; and easy access to ICT has enabled CSOs to showcase their work and achievements. Codes of ethics are common in large organizations, but smaller CSOs rarely develop and implement them. All CSOs are required to submit annual reports. Large CSOs, especially those registered

under the Companies Act 2017, comply with this requirement and regulatory authorities increasingly push smaller CSOs to comply as well, although there are rarely penalties for non-compliance.

THE PHILIPPINES

Capital: Manila
Population: 105,893,381
GDP per capita (PPP): \$8,400
Human Development Index: Medium (0.699)
Freedom in the World: Partly Free (62/100)

OVERALL CSO SUSTAINABILITY: 3.5¹



The Philippines experienced unforeseen political events and devastating natural disasters in 2018. Although the 1987 Constitution states that a chief justice can only be removed through impeachment, in May, the Supreme Court voted to oust Chief Justice Maria Lourdes Sereno based on a petition filed by Solicitor General Jose Calida that alleged that she did not submit all the required statements of her assets, liabilities, and net worth. This was seen as retaliation for the fact that Chief Justice Sereno had issued dissenting opinions on several decisions involving government actions. Typhoon Mangkhut, the planet's strongest storm in 2018, ravaged the northern regions of the Philippines in September, killing eighty-one people.

The Economist Intelligence Unit's Democracy Index continues to classify the Philippines as a Flawed Democracy, meaning that while there are free and fair elections, the country is grappling with governance issues and an underdeveloped political culture. In the ranking released in early 2018, the country's rating declined slightly, in part due to the government's legal attacks against opposition figures.

By the end of 2018, killings linked to the government's so-called war on drugs had reached an estimated 20,000. According to the Philippine Drug Enforcement Agency (PDEA), however, only approximately 5,000 suspected drug users and dealers died during police operations between July 1, 2016 and September 30, 2018. The rising number of deaths has overextended CSO capacities and resources for case documentation and psychosocial support for families of those killed, particularly in Metro Manila.

After decades-long peace negotiations between rebel groups in Mindanao and the Philippine government, the Bangsamoro Organic Law was passed by Congress and signed by President Duterte in 2018, leading to the establishment of the Bangsamoro Autonomous Region in 2019. In December 2018, the Philippine Congress voted to extend martial law in Mindanao until the end of 2019. In November 2018, President Duterte issued Memorandum Order No. 32 deploying additional police and military to some areas outside of Mindanao such as Samar, Negros Occidental, and Bicol to suppress "lawless violence" and acts of terror. Some CSOs expressed concerns that this memorandum could be a precursor to nationwide martial law. The administration has repeatedly threatened the declaration of a revolutionary government or the exercise of emergency powers, citing the alleged destabilization plot against the president and the need for greater authority to address increasing crime.

¹ The score for Service Provision was recalibrated in 2018 to better reflect the situation in the country and to better align it with other scores in the region. This resulted in a change in the overall CSO sustainability score, while in reality CSO sustainability did not change from the previous year.

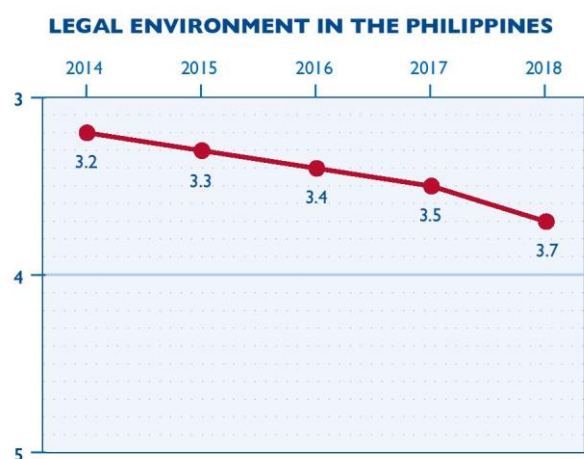
The 2018 International Trade Union Confederation (ITUC) Global Rights Index named the Philippines one of the worst countries for working people, as workers still struggle to associate freely and face violent repercussions by employers.

CSO sustainability in the Philippines did not change notably in 2018, although the scores for the legal environment, advocacy, and public image dimensions all deteriorated. CSOs, human rights defenders, activists, and lawyers representing marginalized groups were subject to increased harassment, including extrajudicial killings. In addition, CSOs were subject to burdensome new reporting requirements. CSO advocacy declined due to continuing verbal attacks by President Duterte against critics of his policies and the increasing challenge of lobbying for key policy reforms. Moreover, extrajudicial killings of human rights lawyers, crackdowns on traditional and online media, and harassment of online critics of government policies have led to an increase in self-censorship and a reduction in the number of organized groups joining protests. The government's attacks on media outlets and CSOs also led to decreased coverage of CSOs and a decline in the sector's public image.

Philippine CSOs are generally categorized as either people's organizations (POs), non-governmental organizations (NGOs), or cooperatives. POs are membership organizations, and include unions and workers associations, farmers and public transport drivers associations, community-based organizations, homeowners associations, and many issue-based organizations. NGOs are non-membership based and typically engage in citizen mobilization, education, research, and other services to communities, other sectors, and CSOs. Cooperatives are organized based on international cooperative principles.

According to the latest available data, there were 208,963 registered CSOs in the Philippines in 2018. This represents a decrease of 70,536 from the previous year, mainly due to the fact that the registries eliminated duplicate or inactive entries during the year. Registered CSOs include: 101,843 non-stock, non-profit organizations, including NGOs, foundations, and some POs, registered with the Securities and Exchange Commission (SEC) as of 2017; 17,864 cooperatives that had filed their records with the Cooperative Development Authority (CDA) by the end of 2016; 17,534 registered homeowners associations with the Housing and Land Use Regulatory Board (HLURB) as of 2015; and 71,722 rural workers associations and labor unions registered with the Department of Labor and Employment (DOLE) as of 2015. Many CSOs and sectoral organizations are members of provincial, regional, and national CSO networks or federations, either formally or informally.

LEGAL ENVIRONMENT: 3.7



The legal environment for CSOs further deteriorated in 2018 due to increasing reports of state harassment of CSOs, human rights defenders, activists, and lawyers representing marginalized groups, as well as the introduction of new reporting requirements.

Government harassment of CSOs was an increasing problem in 2018. For example, the office of Katotohanan, Pagkakaisa at Serbisyo (KPS, translated as Truth, Unity and Service), a land rights CSO in Mindanao, was raided by police, who allegedly found illegal firearms on their premises. The chairperson of KPS claimed that the firearms were planted. He was eventually arrested and detained in a hospital due to his age and frail physical condition. During the year, the military and police reportedly named several CSOs, most of which were in

the Cordillera, Mindanao, and National Capital Regions, as front organizations for the Communist Party of the Philippines/New People's Army (CPP/NPA), which has been declared a terrorist organization. As a result, these organizations are susceptible to raids, arrests, searches, and seizure. According to Philippine media, two senior government officials alleged that some human rights organizations have become unwitting tools of drug lords to undermine the government's achievements in its war on drugs.

Extrajudicial killings have been an increasing problem, as well. Ben Ramos, a lawyer for land-claimant farmers in Negros Island, was murdered in November, making him the thirty-fourth human rights lawyer killed in the

Philippines since 2016, according to Human Rights Watch. Several Catholic priests who criticized the government's war on drugs were killed in 2018, often by unidentified gunmen.

In November 2018, the SEC issued Memorandum Circular 15-2018 requiring all non-stock, non-profit organizations—both new and existing ones—to make a one-time filing with information on their funding sources, financial transactions, and program activities and to establish internal audit and governance systems. This new policy was prompted by the intergovernmental Financial Action Task Force (FATF) Recommendation 8, which recommends heightened scrutiny of CSOs to ensure that they are not being used to finance terrorism. Based on these filings, the SEC will assign an Anti-Money Laundering/Counter-Terrorism Financing (AML/CTF) risk assessment rating to each individual organization, which could lead to tighter monitoring or possibly blacklisting of organizations deemed high-risk. Several CSOs criticized the Memorandum Circular for being developed with insufficient prior consultation with the CSO sector and for not laying out criteria or a process for the risk assessment. They also expressed concern that the security sector could misuse the tool to target members of the opposition by linking legitimate organizations to terrorism. The new requirements especially burden smaller organizations and those outside major cities since the SEC's local registration offices are only in regional centers. Also in 2018, the SEC issued Memorandum Circular 17-2018 requiring all corporations, both for-profit and non-profit, to declare information on their beneficial owners. Several CSOs challenged this requirement, arguing that the concept of beneficial ownership does not apply to non-profits.

CSOs continue to acquire primary registration through one of four regulatory agencies: non-stock, non-profit organizations, including NGOs, foundations, and some POs, register with the SEC; homeowners associations with HLURB; cooperatives with CDA; and labor unions and rural workers associations with DOLE. CSOs are generally able to register easily, with the process taking two weeks to complete and costing approximately \$34.

The regulatory environment for foundations, particularly those involved in public fundraising and grant making, is stricter than that for other forms of CSOs. Such foundations require one million pesos (about \$19,000) in capital to register, and have traditionally been required to submit more detailed annual programmatic and financial reports. With the issuance of SEC Memorandum Circular 15-2018, however, all CSOs registered with the SEC are now subject to the same detailed reporting requirements.

CSOs are allowed to earn income from services or social enterprises, as long as such activity is stipulated in their bylaws. CSOs can compete for government contracts and projects if they are accredited by the government agencies issuing those contracts. CSOs must register their public fundraising initiatives with the Department of Social Welfare and Development (DSWD). CSOs can accept funds from foreign donors, although new AML/CTF regulations require banks to exercise further scrutiny of all financial transactions between domestic and foreign CSOs.

The Tax Reform for Acceleration and Inclusion (TRAIN) Law, which took effect in January 2018, reduced the tax on donations to individuals and organizations in amounts over 250,000 pesos (about \$4,800) from 30 percent to 6 percent. These taxes are paid by the donors and the reduction may therefore encourage more donations to CSOs. While CSOs are generally exempt from taxes on donations, revenue from income-generating activities are subject to tax, regardless of the disposition of the income.

Legal capacity on CSO issues remains limited. In 2018, the Caucus of Development NGO Networks (CODE-NGO), which unites twelve national and regional networks representing 1,600 NGOs, POs, and cooperatives, entered into an agreement with the MVGS Law Offices to provide pro bono corporate legal services to CODE-NGO members. This partnership is expected to fill a need among CSOs for free legal assistance and services on issues related to CSO regulation, taxation, and data privacy.

ORGANIZATIONAL CAPACITY: 3.4

The CSO sector's organizational capacity remained the same in 2018, although several CSOs claimed that their funding decreased in 2018, forcing them to either downsize or suspend operations. For example, within the CODE-NGO coalition, three regional (sub-national) networks and one provincial network downsized their operations by reducing personnel, with board members assuming voluntary executive roles. A few other CSOs reported similar situations. Human rights organizations, on the other hand, were able to improve their organizational capacity as they had access to more donor funding for their advocacy work in 2018.

Constituency building was stronger in 2018, particularly among advocacy CSOs, which mobilized thousands of supporters in mass protests during the president’s State of the Nation Address and the ouster of Supreme Court Chief Justice Sereno. Many CSOs continue to be community-centered and facilitate the participation of their local partners in the design and implementation of their programs and services. For example, St. Catherine Family Helper Project Inc., which operates on the islands of Negros and Siquijor in the Visayas, Central Philippines, educates its community partners on the protection and conservation of coastal and marine ecosystems; involves them in conservation projects such as mangrove replanting and establishing fish marine sanctuaries; and engages them in coastal law enforcement and lobbying for passage of local ordinances on the conservation of marine ecosystems.

ORGANIZATIONAL CAPACITY IN THE PHILIPPINES



Larger CSOs, CSO networks and associations, cooperatives, and trade unions generally undergo strategic planning; have more clearly defined missions, visions, and goals; and define processes to evaluate their performance against their objectives. On the other hand, smaller organizations only have annual plans and budgets or calendars of activities. Over the past few years, some POs and farmers’ cooperatives have started to plan for their financial sustainability and develop mid- or long-term plans

According to the Doing Good Index 2018 conducted by the Center for Asian Philanthropy and Society, 100 percent of non-profit organizations in the Philippines have a board; 61 percent have board members with corporate experience; and 59 percent of organizations host volunteers. Larger CSOs with more complex programs, networks, and associations have more active or functional board members and more clearly defined roles for boards and staff. Labor unions also have governance and accountability structures.

A 2018 study by the Center for Leadership, Citizenship and Democracy (CLCD) of the University of the Philippines National College of Public Administration and Governance (UP-NCPAG) reported that CSO leaders often have numerous roles—including both governance and management functions, as well as office and field functions. The research also noted that it is difficult for various stakeholders to reach CSOs, either because leaders and staff are too busy, or organizations had dissolved or changed missions.

In 2018, former CSO staff continued to move to government agencies or private companies that offer better compensation. CSOs face an urgent need to develop a new generation of leaders, not just due to the loss of staff, but to succeed the current aging leaders.

CSOs in general have mainstreamed the use of technology. A growing number of CSOs use Facebook and Twitter to announce their events and activities, although few use paid services to “boost” their posts to reach a wider audience. Human rights groups, in particular, have started using ICT for data gathering and case documentation and have increased their physical and digital security protocols due to increasing threats and security risks.

FINANCIAL VIABILITY: 4.0

Financial viability did not change in 2018. As in previous years, few CSOs had diversified sources of funding in 2018. According to the Doing Good Index 2018, 67 percent of Philippine service delivery organizations receive foreign funding, almost 50 percent receive government funding, and only 20 percent have worked on procurement contracts. Based on the same study, 80 percent of service delivery organizations said that individual giving is low; if Filipinos give, it is usually to churches or faith-based organizations (FBOs).

In mid-2018, the World Bank announced that the Philippines was approaching upper middle-income country status in the medium-term, which generally decreased the level of foreign funding available for development activities. Although no data is available on the overall amount of foreign assistance going to CSOs, Official Development Assistance (ODA) to the Philippines decreased slightly from \$15.60 billion in 2016 to \$14.77 billion in 2017. A few

FINANCIAL VIABILITY IN THE PHILIPPINES



international NGOs (INGOs), such as Christian Aid in the Philippines and the Humanitarian Leadership Academy, also decreased their local grant budgets in 2018.

At the same time, many foreign funders and INGOs actively sought to support human rights campaigns and programs in 2018, leading to an increase in the availability of funding for these organizations. These donors generally sought to lessen the visibility of their support to avoid reprisal from the government, given President Duterte's public attacks on human rights organizations.

CSOs do not receive significant resources from the corporate sector, as companies often have their own corporate foundations and corporate social responsibility (CSR) programs. While Section 67 of the 2018 General

Appropriations Act provides for funding to CSOs either as implementers or beneficiaries of government programs, national government agencies continue to be wary of releasing such funding to CSOs. This situation is partially a result of the pork barrel scandal that came to light in 2013, in which businesswoman Janet Napoles conspired with legislators to funnel government funds through fake NGOs. Government agencies more frequently work with CSO personnel as individual consultants or trainers through service contracts, rather than entering into agreements with their organizations.

Philippine cooperatives are generally able to generate their own income and, through their Community Development Funds, contribute to community programs where they operate. The newly-established Philippine Family Farmers' Agriculture-Fishery-Forestry Cooperatives Federation (AgriCoopPH), for example, has at least two member cooperatives with assets over one billion pesos (about \$19 million) that contribute to the federation's operations and the capacity development of smaller agriculture cooperatives.

CSOs acknowledge that they cannot depend on foreign grants in the long term and have begun exploring other means of raising resources, such as public fundraising activities, social enterprises, and training and consultancy services. The 2018 Doing Good Index reported that only 17 percent of the surveyed service delivery organizations engaged in crowdfunding, though 63 percent said they will explore this in the future. CSOs supporting the families of victims of the government's war on drugs, as well as disaster preparedness and response, continue to engage in local fundraising activities, but these initiatives do not yet provide sustainable income. In 2018, the Western Visayas Network (WEVNET) and Cordillera Network of Development NGOs and POs (CORDNET) increased their technical assistance to members that are setting up social enterprises. Some CSO networks such as the Philippine Partnership of Support Service Agencies (PHILSSA) and the League of Corporate Foundations (LCF) are starting to offer their training courses, which have traditionally been provided only to members at no cost, to more NGOs for fees.

Some local grantmaking foundations whose endowment funds are invested in the capital market were affected by poor market performance in 2018, decreasing their capacity to support partner CSOs and communities and to retain staff.

CSOs with more assets or those implementing more complex development programs and projects are more likely to have sophisticated financial management systems and professional staff, such as certified public accountants. Smaller organizations generally have simpler systems with administrative staff responsible for bookkeeping. CSOs registered with the SEC must submit annual audited financial statements, although CSOs with maximum annual financial transactions of PHP 150,000 (\$2,830) are only required to submit financial reports.

ADVOCACY: 3.6

CSO advocacy declined in 2018 due to continuing verbal attacks by President Duterte against critics of his policies and the increasing challenge of lobbying for key policy reforms, which led to an increase in self-censorship and a reduction in the number of organized groups participating in protests.

Despite these issues, CSOs continue to have some access to government decision-making processes. As provided in the Local Government Code of 1991, CSOs can participate in local decision-making processes as accredited members of local development councils and special bodies at the village, municipal, and provincial levels. CSOs can also get accredited as members of regional development councils under the National Economic Development Authority (NEDA) to participate in planning and monitoring national programs and projects being implemented at local levels. However, CSOs' influence on policies and programs varies depending on how well these councils function and how receptive the local chief executives of the councils are to CSO input.



The Department of Interior and Local Government (DILG) continues to reach out to key CSOs and recognize their contributions to designing, implementing, and monitoring DILG programs at national and local levels. In June, the DILG issued Memorandum Circular 2018-89, which provides guidelines for engagement with CSOs and recognizes CSOs' roles in policy making, program implementation, and review of programs.

The Open Government Partnership (OGP) continues to offer a space for CSOs to engage with various government agencies, although the country's latest OGP National Action Plan limits engagement to government-crafted commitments. In 2017, the government nearly suspended participation in the OGP, but the new Department of Budget and Management (DBM) Secretary decided to continue the initiative in 2018 following lobbying by DBM bureaucracy and key CSO groups. To help prepare the 2019-2021 OGP National Action Plan, CSOs developed a Citizens Agenda and presented it to government agencies for review in 2018.

The National Anti-Poverty Commission (NAPC) did not convene the National Sectoral Assemblies of the Fourteen Basic Sectors—which includes women, children, youth and students, farmers and landless rural workers, indigenous peoples, and several other groups in society—in 2018 because of a lack of funding.

Despite the restrictive atmosphere, CSO advocacy initiatives still contributed to the adoption of several less controversial pieces of legislation in 2018, including the HIV and AIDS Policy Act and the National Mental Health Policy Act. The Bangsamoro Organic Law was also passed in 2018, after many years of advocacy. Other pieces of legislation promoted by CSOs, including the National Land Use Bill and Security of Tenure Bill, were still pending at the end of the year even though they were considered priorities by the executive branch. Despite advocacy by farmers groups and passage in Congress, the president vetoed the Coconut Farmers and Industry Development Fund (Coco Levy Fund Bill).

CSO advocacy tends to be more successful at the local level, because of the closer relationships between CSOs and local leaders. In addition, local policy advocacy tends to have a more direct impact on the lives of constituents. However, the effectiveness of such initiatives still depends on the openness to CSOs of local chief executives. Advocacy for policy changes at the national level, especially those requiring legislative changes, is more complex and takes more time.

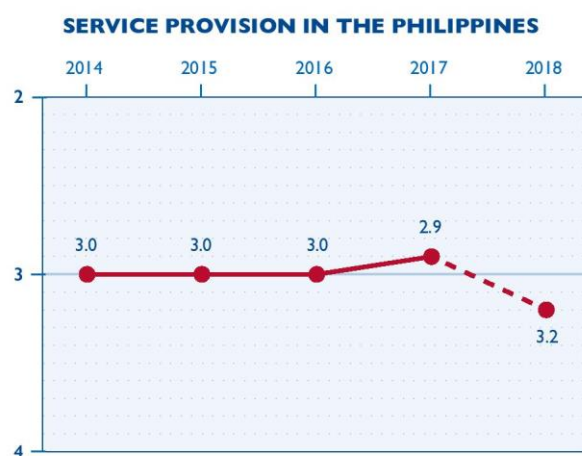
Advocacy coalitions, social movements, and citizens groups organized numerous protests and demonstrations in 2018. According to police, about 15,000 Filipinos staged a protest action in Metro Manila and different parts of the country during President Duterte's State of the Nation Address in July 2018. The protest gathered diverse organizations representing women, students, indigenous peoples, farmers, workers, urban poor, religious groups, business leaders, and academics to express their opposition to the war on drugs, the TRAIN Law, job insecurity, China's intrusion in the West Philippine Sea, and government proposals to transform the system of government from presidential-unitary to parliamentary-federalist. In February 2018, the Walk for Life Campaign led by the Catholic Church gathered thousands of people to protest the killings linked to the war on drugs, a bill to re-impose the death penalty, and attempts to change the 1987 Constitution. However, some groups that used to join or lead such protests did not participate in these actions.

Protest rallies were also organized during the February 2018 commemoration of the People Power Revolution by social movements, advocacy coalitions, and citizens' associations such as Pambansang Kilusan ng Samahang

Magsasaka (PAKISAMA or National Federation of Farmers Association), Coalition Against Tyranny, Tindig Pilipinas (Stand Up Philippines), The Silent Majority, and others. In addition, various civic, political, religious, and professional organizations issued statements criticizing the investigation and ouster of former Chief Justice Sereno in violation of the 1987 Constitution, which states that a chief justice can only be removed through impeachment. Various groups viewed the act as a political move and a dangerous precedent for the country's democratic institutions and the rule of law.

In late 2018, the Philippines' Anti-Money Laundering Council (AMLC) issued a report on the risk assessment of the non-profit organization sector on money laundering and terrorism financing. This report, and the new SEC Memorandum Circular, are expected to generate discussions around regulatory policies affecting the sector in 2019.

SERVICE PROVISION: 3.2²



CSO service provision did not change significantly in 2018. CSOs continued to provide a diverse range of goods and services including health, legal assistance, training and research, housing, environmental protection, communications, product development and marketing, and savings and credit. Some CSOs, particularly human rights groups, continued to provide case documentation, psychosocial intervention, and legal assistance, while a few started to provide forensic services for families of victims of extra-judicial killings arising from the war on drugs. Local organizations also started to better organize their responses to humanitarian crises, like the ongoing violence in Marawi City in Mindanao and Typhoon Mangkhut. These organizations increasingly observe the standards and principles developed by the international humanitarian community.

In 2018, more families of victims of the war on drugs cooperated with the documentation efforts of human rights organizations and referred other families of victims, especially after receiving training about their rights and the process of case documentation. CSOs also distributed educational materials explaining to people how to deter police scrutiny or arrests. For example, the Free Legal Assistance Group (FLAG) and the Philippine Center for Investigative Journalism (PCIJ) produced the pamphlet “Know Your Rights” and distributed it in communities where human rights violations were rampant, particularly the poor urban areas of Metro Manila.

Generally, CSO services continue to respond to community needs. Many CSOs employ participatory processes, such as organizing consultations or involving community leaders in developing, implementing, and evaluating their programs or projects. CSOs also usually provide briefings to and seek support (financial, material, or moral) from mayors or governors for their projects.

Most CSOs continue to rely on grants and donations to provide services. CSOs generally lack the capacity to identify who is willing and able to pay for their services. Only larger and well-resourced CSOs have the capacity to scale up their services, expand pilot projects, or participate in government or private sector development projects with nationwide scope.

Government appreciation of CSO services varies across government agencies and between local and national levels. While the president himself has verbally attacked human rights organizations, the Departments of Social Welfare, Health, Education, and Interior and Local Government continue to recognize the role of CSOs as service providers or watchdogs of government programs. However, government agencies are still wary of releasing

² The Service Provision score was recalibrated in 2018 to better reflect the situation in the country and to better align it with other scores in the region. The score does not reflect a deterioration in Service Provision, which remained largely the same in 2018 as in 2017.

funding to CSOs and are therefore more likely to contract with CSO personnel rather than entering into agreements with their organizations.

SECTORAL INFRASTRUCTURE: 2.9

The infrastructure supporting the CSO sector in the Philippines did not change in 2018.

Lessons learned from typhoon Haiyan in 2013 continued to prompt further capacity development for disaster preparedness and response. In 2018, a consortium of INGOs including Plan International and Care International launched materials on community-based innovations related to disaster preparedness and response through their project TUKLAS (Discover), which began the previous year. In addition, in November 2018, CODE-NGO and the UK-based Humanitarian Leadership Academy (HLA) launched the Center for Humanitarian Learning and Innovation (CHLI), which offers innovative learning management systems on topics such as service continuity planning, and organizational development for local humanitarian and development CSOs. CODE-NGO has also developed modules and case studies on Philippine Community-Based Disaster Risk Reduction and Management (DRRM) and posted them online.

SECTORAL INFRASTRUCTURE IN THE PHILIPPINES



Local grant-making organizations include the Peace and Equity Foundation, Foundation for a Sustainable Society, Foundation for the Philippine Environment, Philippine Tropical Forest Conservation Foundation, and Forest Foundation Philippines. These organizations continued to support the programs and projects of local CSOs using the interest gained on their endowment funds. However, as a result of poor market conditions, most of these had less income in 2018, thereby reducing their portfolios of grants and loans to CSOs. CODE-NGO continues to use the interest earned on endowment funds to distribute grants through the Democracy Fund to people's organizations for their community-based advocacy campaigns.

CSO networks—such as CODE-NGO, League of Corporate Foundations, Philippine Rural Reconstruction Movement, Freedom from Debt Coalition, Philippine INGO Network, Pambansang Kilusan ng Samahang Magsasaka, and Philippine Alliance of Human Rights Advocates—continue to provide services to their members in the form of trainings and events where they discuss and coordinate their advocacy to specific government agencies. Federations of labor unions also have strong support programs for members covering education and training, grievance systems, legal research, women, youth, and international affairs.

AgriCoopPH was established in 2018, with twenty founding members and twenty-four support organizations. Its goal is to support weaker agricultural cooperatives and to help farmers rise up in the value chain. AgriCoopPH started providing its members with services such as credit facilities, training on governance, internal controls, and entrepreneurship, and connections to the market. Also in 2018, networks of FBOs from several Christian denominations, such as the National Secretariat for Social Action (NASSA Caritas Philippines) of the Catholic church, the Philippine Council of Ecumenical Churches (PCEC), the National Council of Churches in the Philippines (NCCP) of the Protestant church, and World Vision, formed their own informal coalition called Philippine FBO Forum to coordinate their humanitarian actions during disasters.

CSOs continue to have access to training from key CSOs and networks. For example, the Venture for Fundraising provides training on resource mobilization; Fund Philippines provides training on professional public fundraising; and League of Accountants for Development (LEAD) and the Philippine Institute of Certified Public Accountants (PICPA) provide training on financial management for non-profits. These training opportunities, however, are generally only available in Metro Manila.

CSOs continued to engage actively in intersectoral partnerships in 2018. Leveraging the complementary roles of the Commission on Human Rights (CHR) and CSOs, a new human rights caucus called CSO-CHR Consultative

Caucus for Human Rights (C4HR) was launched in December. It aims to promote and defend human rights, uphold the 1987 Constitution, and endorse evidence-based data on human rights violations to the CHR and other law enforcement agencies. The initial multisectoral conveners of C4HR included human rights organizations, churches and faith-based groups, academia, and professional associations.

Partnerships between corporate foundations and government agencies increased in 2018. For example, BDO Foundation, a corporate foundation formed by the largest commercial bank in the Philippines, is implementing a program with the Bangko Sentral of the Philippines (the Philippines' Central Bank) and the Department of Education to train public school teachers to teach financial literacy. They plan on expanding these training programs in 2019 to include financial literacy programs for military personnel.

PUBLIC IMAGE: 3.5



The public image of CSOs in the Philippines declined slightly in 2018.

The Philippines dropped six spots in the 2018 World Press Freedom Index to 133rd out of 180 countries. During the year, the president verbally attacked major media companies, such as Rappler, the *Philippine Daily Inquirer*, and television network ABS-CBN, accusing them of bias in their coverage of government programs and the war on drugs. Following these events, the work of advocacy and service delivery CSOs received less national media attention, though they continued to access local media more easily. Toward the end of the year, media coverage started focusing on the May 2019 Philippine general elections and election campaigns.

Negative public perceptions of CSOs—started by the so-called pork barrel scandal of 2013—persist. However, donor organizations, government agencies, and communities supported by CSOs are now better able to differentiate between legitimate and fake CSOs.

Based on the most recent Philippine Trust Index (2017) conducted by the EON Stakeholder Relations Group, CSOs have the least trust among the six institutions covered by the index. Nevertheless, the level of trust in CSOs has increased from 40 percent in 2015 during the pork barrel scandal to 59 percent in 2017. Meanwhile, trust in the government improved dramatically from 30 percent in 2015 to 80 percent in 2017. The church and academia are the most trusted institutions, both with a 93 percent rating. Trust in media remains high at 78 percent, while the business sector follows closely at 75 percent. INGOs appear to enjoy higher trust than local NGOs because their names and brands are better known, and they have stronger visibility in traditional and new media. According to EON's social media listening tool Groundswell, among the 49 percent of Filipinos who have access to social media, 87 percent believe in CSOs' truthfulness and credibility.

The president perceives human rights activists and CSOs as critics of his public pronouncements and policies, particularly the war on drugs. The military and police have accused some activists and organizations of being "communists" or "leftists" and placed them on an official government list. Nevertheless, some key national government agencies, such as DILG and DSWD, and local government units continue to rely on CSOs as sources of credible information or contractors for government projects.

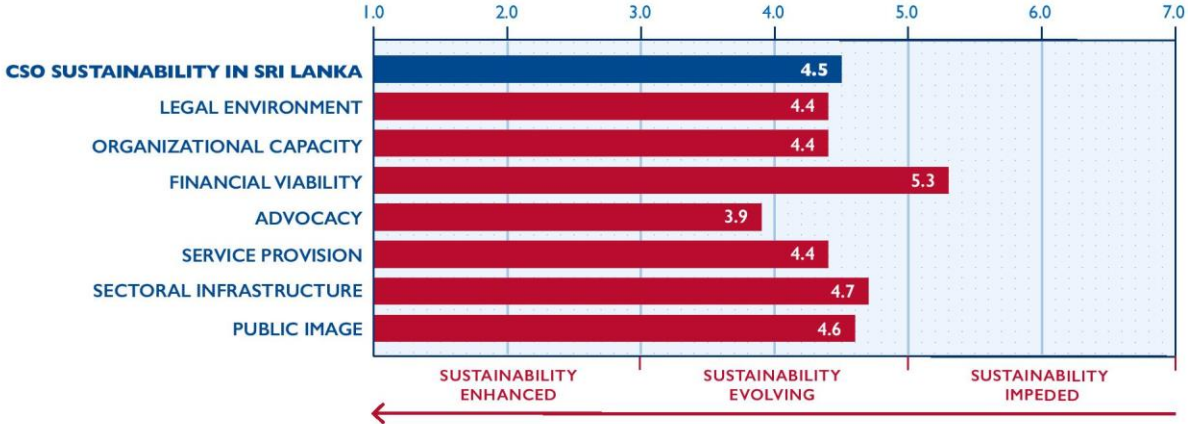
In general, only corporate foundations have the capacity to publicize their activities and promote their public image. While advocacy groups and social movements used to maintain relationships with journalists and receive media coverage, they received less media coverage in 2018 after the president attacked major media outlets. On the other hand, most service-providing CSOs do not prioritize or have the capacity to promote their public image. Many CSOs have started using social media platforms such as Facebook and Twitter, but most have limited capacity to promote their work effectively, for example, lacking knowledge of how to use infographics or to boost the visibility of their posts.

Leading CSOs have codes of conduct and publish annual reports, including audited financial statements, on their websites or in print. Government regulatory agencies continue to recognize the Philippine Council for NGO Certification (PCNC) as a model for the sector's self-regulation and transparency; however, only a few CSOs have adopted this system.

SRI LANKA

Capital: Colombo
Population: 22,576,592
GDP per capita (PPP): \$12,900
Human Development Index: High (0.770)
Freedom in the World: Partly Free (55/100)

OVERALL CSO SUSTAINABILITY: 4.5



In 2018, Sri Lankan President Maithripala Sirisena and Prime Minister Ranil Wickremesinghe entered their fourth year in power. They lead a good governance coalition between the United People’s Freedom Alliance (UPFA) and United National Front for Good Governance (UNFGG). Within this coalition, Sirisena leads the Sri Lanka Freedom Party (SLFP), the largest party in the UPFA, while Wickremesinghe leads the United National Party (UNP), the largest in the UNFGG.

In January, President Sirisena sought the opinion of the Supreme Court on whether he can hold office until 2021, which would be a six-year term. The Supreme Court affirmed that the presidential term is five years in accordance with the nineteenth amendment of the Constitution, which was enacted in 2015. President Sirisena lost some credibility with this exchange, given his promise to govern for only one term and to abolish the executive presidency, which provides the president with significant power.

In February, after a prolonged delay, Sri Lanka held local elections, the first since the coalition government came to power. The elections featured significant competition between the two sides of the coalition government, particularly the UNP and SLFP. Competition within the SLFP—between the segment led by Sirisena and a faction loyal to former president Mahinda Rajapaksa—also intensified. The latter ran in the elections as the Sri Lanka Podujana Peramuna (SLPP), securing 41 percent of votes nationwide, a major setback to the governing parties. The UNP and SLFP secured 29 percent and 12 percent of votes, respectively.

In October, a series of events plunged the country into political turmoil. The UPFA withdrew from the coalition government, and President Sirisena purportedly appointed former President Mahinda Rajapaksa as prime minister. Sitting Prime Minister Ranil Wickremesinghe and the UNP disputed this controversial move. The president then suspended proceedings of the parliament and appointed a new Cabinet of Ministers, many of whom came from the parliament. In November, President Sirisena dissolved the parliament, a move that was challenged in the Supreme Court. The Supreme Court issued an interim order suspending the dissolution of the parliament. The parliament was subsequently reconvened, and a no-confidence motion was passed against the purported Prime Minister Mahinda Rajapaksa.

Meanwhile, 122 members of parliament (MPs) challenged before the Court of Appeal the legal basis upon which purported Prime Minister Rajapaksa and the Cabinet of Ministers held office. The Court of Appeal issued an interim order restraining Rajapaksa and the Cabinet of Ministers from functioning in their respective offices until the Court’s final determination. In December, the Supreme Court ruled that President Sirisena’s dissolution of the parliament was unconstitutional and ordered that the proclamation dissolving the parliament be declared null and

void. Immediately thereafter, Ranil Wickremesinghe was sworn in again as prime minister, and a new Cabinet of Ministers was appointed.

CSOs played a vital role during this tumultuous period. CSOs organized protests to increase public awareness of the situation, increased their engagement on social media, and filed petitions before the Supreme Court to challenge the actions taken. For instance, in December 2018, Centre for Policy Alternatives was among the petitioners that challenged President Sirisena's decision to dissolve the parliament in November 2018.

Sri Lanka's ranking on Transparency International's Corruption Perceptions Index improved slightly, from 91 in 2017 to 89 in 2018, due to new measures taken to combat corruption and drug trafficking. Furthermore, a special High Court was established in August 2018 to expedite hearings for financial and economic offenses such as bribery, money laundering, and misappropriation of property.

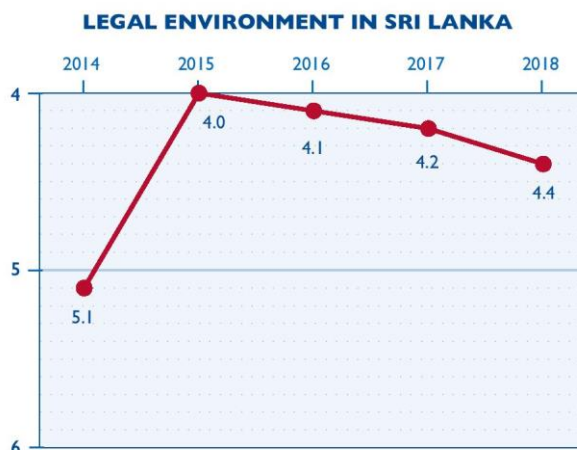
Capital punishment became a prominent topic in 2018 after President Sirisena stated that he would impose the death penalty for drug-related offenses, although the death penalty has not been practiced in Sri Lanka since 1976. CSOs actively protested this decision. For example, eighteen CSOs publicly urged the president to consider the recommendations of the Human Rights Commission of Sri Lanka to abolish the death penalty.

The government made limited progress on post-war reconciliation and accountability in 2018. The parliament enacted laws criminalizing enforced disappearances and establishing an Office for Reparations. The president appointed commissioners to the Office on Missing Persons (OMP), which began key activities. Following anti-Muslim attacks in November 2017 in the Galle district, in February and March 2018, anti-Muslim violence broke out in the Ampara and Kandy districts, resulting in the destruction of several Muslim homes, businesses, and places of worship. In response to the particularly significant violence in the Kandy district, the government declared a state of emergency and imposed a temporary nationwide social media ban.

Against this backdrop, overall CSO sustainability improved marginally in 2018. Two dimensions of sustainability experienced deterioration during the year. The legal environment worsened as a result of delays in registration and continued state harassment, while negative statements by prominent government representatives tarnished the sector's public image. On the other hand, organizational capacity, advocacy, and the infrastructure supporting the sector all improved. Organizational capacity strengthened as CSOs built more informal constituencies online. CSO advocacy increased as CSOs increasingly engaged in the law reform process and used social media to reach the public on a wide range of issues. Increased collaboration among CSOs and with other sectors contributed to an improvement in sectoral infrastructure. Financial viability and service provision did not change significantly in 2018. CSOs continue to be reliant on international donors and only a few CSOs provide goods and services.

The Non-Governmental Organization (NGO) Secretariat maintains a directory of NGOs registered under the Voluntary Social Service Organizations (Registration and Supervision) Act, No. 31 of 1980 (VSSO Act). As of December 2018, the directory listed 1,620 NGOs, forty-one of which were newly registered in 2018.

LEGAL ENVIRONMENT: 4.4



The legal environment for civil society deteriorated in 2018 as CSOs faced delays in registration, continued state scrutiny and surveillance, and weak legal and support services.

CSOs can register through six legal instruments: the Societies Ordinance of 1891; the Companies Act of 2007; the Trusts Ordinance of 1917; the Co-operative Societies Act of 1992; the Voluntary Social Service Organizations (VSSO) Act of 1980; and an Act of Parliament sponsored by an MP through a private member's bill. Regardless of the category of registration, in practice, most CSOs also register as voluntary social service organizations under the VSSO Act. The National NGO Secretariat under the Ministry of National Co-

Existence, Dialogue and Official Languages oversees all CSOs, regardless of their form of registration.

CSOs continued to face bureaucratic obstacles to registration, with some organizations facing delays up to six months. Registration under the VSSO Act takes approximately three months to complete and is free of charge. CSOs that register as companies limited by guarantee under the Companies Act are subject to fees of LKR 30,000 (about \$170), while those that are established under the Trusts Ordinance must pay fees based on a percentage of their initial capital. In 2018, the Company Registrar simplified the process for registration by establishing an online registration system.

Several bureaucratic procedures still create delays in the registration process. For example, if a CSO registering with the Company Registrar indicates “human rights” as one of its objectives, the Company Registrar may request the approval of the Human Rights Commission of Sri Lanka. The NGO Secretariat forwards all applications that it receives to the Ministry of Foreign Affairs and the Ministry of Defense; these ministries then make recommendations to approve or reject registration. Defense authorities are also directly involved in overseeing the registration of certain organizations working in the North and East. CSOs in these areas face significant difficulties in registration.

Driven by negative perceptions of CSOs, local banks have been reluctant to permit newly formed CSOs to open bank accounts. Banks also continue to exercise additional scrutiny of the financial transactions of CSOs with existing accounts.

In 2018, the NGO Secretariat re-issued a 2017 statement requesting all CSOs to submit action plans, audited financial reports, annual reports, statements on funding flows, and staff details because it was updating its monitoring mechanisms. According to the statement, any organization failing to submit the requested information will be classified as “inactive.” The VSSO Act does not set out clear rules on the internal governance of CSOs. The Act permits the NGO Secretariat to take interim control of CSOs suspected of fraud and misappropriation.

In February 2018, the government published a draft amendment to the VSSO Act without properly consulting civil society and the public. The draft amendment would expand the types of organizations that fall under the Act’s purview to include smaller organizations and informal movements. It also broadens the NGO Secretariat’s powers over all CSOs. Following concerns expressed by prominent civil society actors that the proposed amendment would severely restrict CSOs, the government withdrew the bill. A committee including civil society members was appointed to draft another amendment and present it to the government.

CSOs have also expressed concern over the proposed Counter Terrorism Act (CTA), in particular the potential for the law to be used to impose arbitrary restrictions—through proscription orders—on organizations acting in a manner deemed “prejudicial to national security.” The proscription orders can prohibit organizations from entering into contracts, using bank accounts, or lobbying and canvassing. They can be recommended by the Inspector General of Police or requested by any foreign country. In October 2018, several petitions were filed in the Supreme Court against the proposed CTA. In November, the Supreme Court ruled that certain clauses were inconsistent with the Constitution and would need to be amended. At the end of the year, the proposed CTA was under review by the Sectoral Oversight Committee of the parliament and due to be placed before the parliament for a final reading.

CSOs based in the North and East of Sri Lanka continue to be subject to scrutiny and surveillance. For example, civil society actors working closely with families of the disappeared from the 1983-2009 conflict have been intimidated and harassed by security forces. In some instances, Ministry of Defense personnel visited board members of rural CSOs in the North and East that were seeking registration.

The existing tax regime was revised by the Inland Revenue Act of 2017, which became operational in 2018. Accordingly, 3 percent of funds received by CSOs through grants, donations, or contributions are subject to a 28 percent tax. Tax exemptions are only available for CSOs engaged in rehabilitation, provision of livelihood support, infrastructure facilities to displaced persons, and humanitarian relief activities, with no exemptions on earned income.

Lawyers and organizations such as iProbono provide legal assistance to CSOs, but there are few specialized bodies that provide legal expertise and administrative support to CSOs. In addition, there is no strong culture of pro bono assistance in Sri Lanka, and existing legal support is limited to urban areas.

ORGANIZATIONAL CAPACITY: 4.4

The organizational capacity of CSOs improved moderately in 2018, primarily because of advances in constituency building.

During the year, CSOs increasingly used social media platforms like Facebook and Twitter to build constituencies online. For example, CSOs issued statements on the communal violence in early 2018, as well as the political crisis. CSOs also built informal constituencies around issues such as wage increases for tea plantation workers, transitional justice, the proposed CTA. CSOs held public consultations and workshops on reconciliation mechanisms across the country. CSOs also supported public gatherings and protests calling for the release of military-held land in the North and East. Both residents and voluntary organizations organized protests for the return of land in Iranaitivu in the North. In April, the residents rallied together and successfully reclaimed most of their land from the Navy. Grassroots organizations and informal movements increasingly acted independently from their founding organizations. For instance, Mothers of the Disappeared, previously managed by a Colombo-based organization, now runs most of its activities independently.

Most organizations have a strategy and vision, but they fail to apply effective strategic planning in the rollout of their activities. Smaller CSOs are often project-focused and dependent on donor funding. As a result, an organization is often more focused on its survival than advancing its vision.

Most CSOs lack formal structures and proper internal governance systems. Many urban-based CSOs have boards of trustees, but most do not utilize their expertise effectively, instead relying on their founders' strategic vision and decision making. This weakens organizational structures and can limit the prioritization of long-term strategic planning.

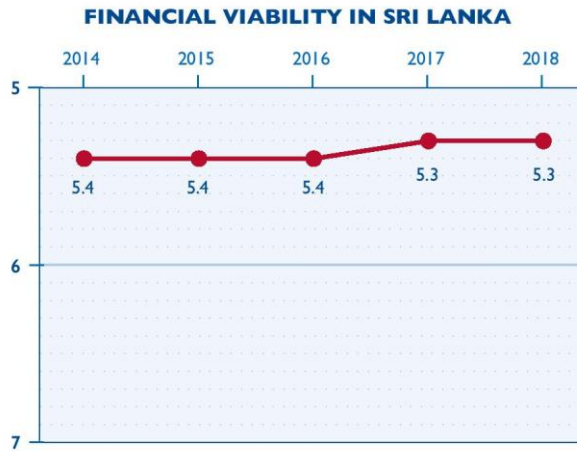
Urban-based CSOs are more likely to have organized structures with departments such as human resources and finance. However, urban-based CSOs depend on rural and smaller CSOs to conduct some key activities. For instance, the Family Rehabilitation Centre, based in Colombo, has several regional centers in the North and seeks partner organizations in other parts of the island.

In 2018, CSOs found it slightly more difficult to retain permanent staff and faced significant delays in meeting programmatic targets due to inadequate transition processes between employees. CSOs often engage volunteers, which allows them to mitigate the impact of high turnover of permanent staff. For example, CandleAid Lanka, which works in education, health, and women's empowerment, relies significantly on volunteers to supplement the work of its fewer than eleven permanent staff members. In 2018, youth-led CSOs such as Hashtag Generation made more efforts to improve their organizations and structures, including through donor capacity-building programs.

Urban-based CSOs continue to use information and communications technologies (ICT) to support their advocacy. Established CSOs have expanded their online presence, while new social media movements have arisen. For example, the Arka Initiative began to use Instagram and Facebook to spread information on sexual and reproductive health. The political crisis also sparked significant online activity. For example, Groundviews and its associated platforms, Vikalpa and Maatram, were sources of information for many during the crisis. Rise Up Sri Lanka, a citizens movement, also used social media to organize peaceful protests during the political crisis in October.



FINANCIAL VIABILITY: 5.3



The financial viability of CSOs remained unchanged in 2018. CSOs continue to depend on foreign donor funding and receive minimal support from domestic sources.

In general, the level of foreign support did not change significantly in 2018. USAID provided \$23 million to Sri Lanka in 2018, a slight decrease from \$25 million in 2017. The \$23 million included \$10 million to the Sri Lankan government and local civil society to address challenges related to reconciliation. Australian Overseas Development Assistance granted \$22.3 million in 2016/2017 and \$27.6 million in 2017/2018. In November, the European Commission indicated that it will grant an estimated \$45 million to strengthen local governance in Sri Lanka. The United Nations (UN) Peacebuilding Fund

also provided funds to Sri Lanka in 2018, but these grants were awarded to UN agencies and did not directly include CSO partners. During the political crisis in October 2018, a few countries such as the US and Japan suspended their development aid to Sri Lanka. The Millennium Challenge Corporation (MCC) of the US withheld a grant of \$480 million for the transportation and infrastructure sectors. However, the political crisis did not result in immediate loss or suspension of funding for CSOs.

Private sector funding to CSOs remained limited in 2018. Many companies have established separate entities to run their corporate social responsibility (CSR) initiatives. For example, John Keells Holdings PLC has established the John Keells Foundation, and Hemas Holdings PLC has established the Hemas Outreach Foundation. Most companies, including the two aforementioned examples, implement their CSR projects independently, though some corporations do fund CSOs through their CSR programs. For example, in 2018, Hatton National Bank partnered with Habitat for Humanity on an initiative focused on water and sanitation. Private sector donors tend to prioritize livelihood development and service provision over rights-based projects. For example, the Mannar Women's Development Federation (MWDF) found it easier to obtain funds to improve the livelihoods of widows in the North than to support mothers trying to locate their disappeared children. Information is not available regarding government grants or contracts to CSOs.

Individuals generally donate money only in response to crises in the country. However, some individuals donate money to small CSOs, particularly for charitable programs such as sponsoring students. CSOs in Sri Lanka do not typically organize large-scale fundraisers, mainly due to their dependence on foreign funding. Give2Lanka, a CSO and locally developed crowdfunding platform, helps local CSOs fill funding gaps. Since its founding in 2015, Give2Lanka has mobilized 1,000 donors to support ten projects that have supported 3,000 beneficiaries.

Only a few CSOs such as Sarvodaya earn income through service provision. Sarvodaya is a community-based organization that provides goods and services ranging from providing relief during natural disasters, building education and training centers, and conducting awareness and capacity-building workshops. Sarvodaya sometimes charges subsidized fees for workshops and training programs.

CSOs' financial management systems did not improve in 2018. Most urban-based CSOs maintain financial records and undergo independent financial audits, which may be prompted by donor requirements. Several developed, urban-based CSOs continue to publish relevant financial information online on an annual basis. Many rural-based CSOs maintain rough financial records.

ADVOCACY: 3.9

CSO advocacy improved in 2018, as CSOs increasingly engaged with the government and public on issues like law reform, transitional justice, and the political crisis.

The Right to Information (RTI) Act, which regulates access to public information and promotes government transparency and accountability, continues to be the key mechanism by which CSOs hold the government accountable. For instance, in 2018 the Mannar Women's Development Foundation (MWDF) filed RTI requests with the Mannar District Secretariat related to housing in the area. CSOs also assisted citizens in using the RTI Act to obtain information and follow up through communal discussions with local representatives. RTIWatch.LK facilitated the filing of RTI requests in different parts of the country. For instance, citizens in

Matara filed RTI requests regarding poor road conditions and discontinued water supply. In both instances, the resulting information enabled the problems to be addressed. CSOs were also consulted by the Secretariat for Coordinating Reconciliation Mechanisms in the formulation of the Office for Reparations Act, No. 34 of 2018.

Formal CSOs and informal social movements actively participated in policy advocacy initiatives in 2018. Tea plantation workers and supporting organizations held protests and strikes demanding an increase in their basic salaries. Moreover, CSOs and civilians in the North and East held protests and campaigns over military-held land. Residents of Keppapilavu in the Mulliativu district have held protests demanding their land for about two years. In October, President Sirisena issued a directive ordering the release of all civilian land in the North and East by the end of 2018, though little land had been released as of the time of writing this report. In 2018, women's groups and activists continued campaigns to support amendments to the Muslim Marriages and Divorce Act (MMDA). The Muslim Personal Law Reforms Action Group held silent protests over delays in amendments, which have been pending for almost a decade.

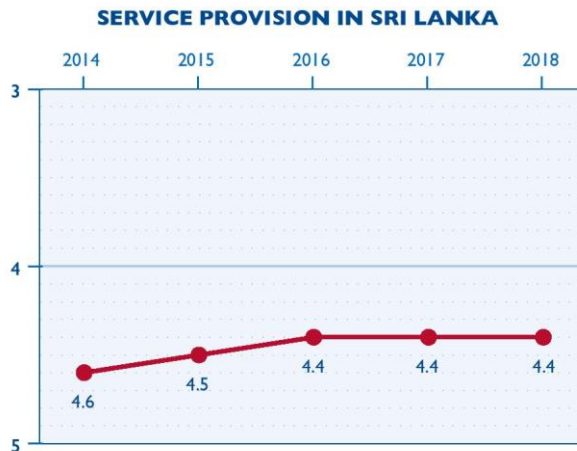
CSO-led movements, engagement on social media, and collaboration within civil society increased during the 2018 political crisis. CSOs and citizens movements concerned about democracy in Sri Lanka held several peaceful protests in Colombo to increase awareness of the political crisis. For example, in October 2018, civil society held peaceful protests at the Liberty Plaza roundabout in Colombo calling for parliament to reconvene, with a core group of protesters assembling every evening until this happened. Women's activists peacefully marched to the Presidential Secretariat to deliver a letter to President Sirisena about their concerns regarding the political and economic chaos in the country. Prominent artists, film stars, and writers joined the demonstration, carrying signs in all three of Sri Lanka's languages highlighting concerns for their children, the country, and the future.

CSOs continued to advocate for government action on transitional justice, including the establishment of reconciliation mechanisms. In 2018, following considerable pressure from CSOs, the OMP took steps towards operationalization. In addition, numerous CSOs, such as Centre for Equality and Justice, Centre for Human Rights and Development, Families of the Disappeared, and Institute of Social Development, voiced concerns over the minimal consultations during the drafting process of the Office for Reparations Act.

CSO engagement in legal reform has consisted primarily of mobilizing against regressive policies, rather than proactively driving positive legal reform. For example, CSO resistance contributed to the government's withdrawal of the proposed amendment to the VSSO Act in 2018. Following concerns about the proposed CTA, CSOs and members of the public filed petitions in the Supreme Court, which ruled in November that the bill was inconsistent with specific provisions of the Constitution. This ruling therefore requires the CTA to receive two-thirds parliamentary approval—and even approval by public referendum—unless certain articles of the bill are amended. At the end of the year, the bill was waiting to be placed before the parliament for a vote after further deliberation and necessary amendments.



SERVICE PROVISION: 4.4



CSO service provision did not change significantly in 2018. While the magnitude of CSO service provision in Sri Lanka is still limited, CSOs continue to provide goods and services in areas including health care, education, vocational training, and livelihood support. For example, the Foundation of Goodness operates Village Heartbeat Empowerment Centers in ten districts in Sri Lanka to empower rural disadvantaged communities through vocational training, women’s empowerment, education, and other resources. CSOs also provide legal services and representation to marginalized communities. For instance, Women in Need (WIN) provides free legal services and represents victims of gender-based violence.

Larger CSOs identify community needs through discussions, meetings, and consultations with community

representatives and members. Smaller CSOs typically cannot afford to conduct large-scale assessments of community needs. They instead rely on their proximity to and knowledge of their beneficiaries to identify community needs.

CSOs generally provide goods and services beyond their own membership, without discrimination. For example, Berendina provided free cataract surgeries to ninety patients from remote areas at the National Eye Hospital in Colombo in November 2018. Some CSOs initiate long-term development projects such as building infrastructure and providing microfinance opportunities.

In 2018, some CSOs encountered increasing difficulties covering the costs of their services. As a result, such CSOs began scaling back projects or charging subsidized fees. In general, however, there are still just a few CSOs that charge for goods and services. For instance, Sarvodaya in collaboration with other organizations provides information technology education in twenty-two districts at an affordable price. Small-scale social enterprises continued to form to uplift marginalized communities. For example, Chrysalis heads the Weave Project, which supports women entrepreneurs in the handloom industry.

CSOs receive limited recognition from the national government for their service provision. However, local government officials have recognized the value that CSOs can add in service provision. For instance, in 2018 MWDF handed over a shelter for teenage mothers that it had established in the Northern Province to the government, while MWDF continues to monitor the services provided at the shelter. In 2018, some CSOs shifted from delivering services to connecting the community to state providers. For example, Sarvodaya, which operates nationwide and in numerous sectors like health care, child development, and livelihood development, improved communication between communities and local authority representatives.

SECTORAL INFRASTRUCTURE: 4.7

The infrastructure supporting the sector improved slightly in 2018 as CSOs increased collaboration both with other sectors and within the CSO sector. However, Sri Lanka continues to lack resource centers dedicated to providing CSOs with training and technical support. In addition, there are only a few local grant-making organizations, such as the Neelan Tiruchelvam Trust and the Dhow Foundation.

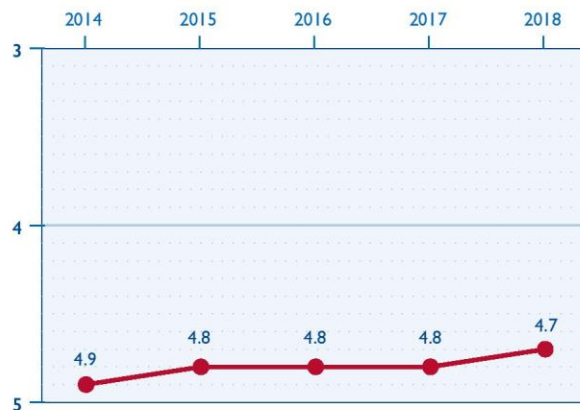
CSOs engage in issue-based coalitions in areas such as anti-Muslim violence, the rights of lesbian, gay, bisexual, transgender, and intersex (LGBTI) individuals, sexual and reproductive health, regressive CSO-related legislation, and legal and political issues in the country. Some coalitions began in 2018, while others formed in 2017 and continued their activities. The 2018 political crisis led to heightened CSO collaboration to combat disinformation and advocate for democracy. Rise Up Sri Lanka, formed in October 2018, organized peaceful protests to raise their concerns during the constitutional crisis. CSOs and trade union representatives held continuous Satyagraha campaigns focused on nonviolent resistance. These campaigns were held in key areas in Colombo such as the

Colombo Municipal Council and Viharamahadevi Park (a central public park in Colombo). The LGBTI community, with support from Equal Ground, rallied as the Butterflies for Democracy during the political crisis. However, issue-based coalitions are often reactive and have a limited lifespan.

In 2018, more training was available to help smaller organizations outside Colombo to operate independently. For example, MWDF has nine branches across Sri Lanka that provide free training to advance leadership, independent activism, and the creation of movements in the North and East. In addition, in 2018 the National Peace Council of Sri Lanka began a project across eleven districts to mobilize civil society to use available mechanisms to promote government accountability and advocate for continued improvement in this area. However, there remains an inadequate number of CSO management trainers in Sri Lanka, and smaller CSOs are unable to afford the current training options.

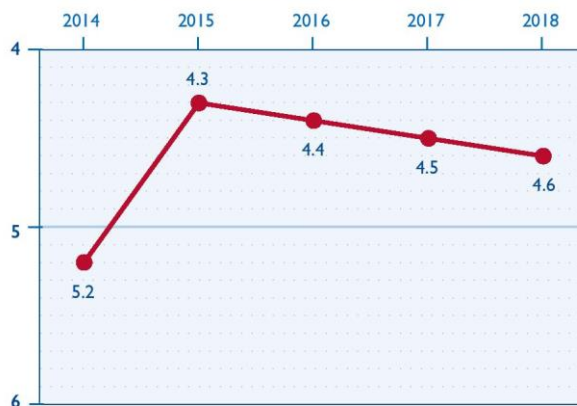
There was a slight increase in CSO partnerships with government and local businesses in 2018. In July 2018, the Office for National Unity and Reconciliation (ONUR) signed a memorandum of understanding with twenty-two CSOs to implement national unity and reconciliation projects nationwide in order to create dialogue on reconciliation at the grassroots level. In October, the PINA organization, in collaboration with the Navy, set up two water filtration systems to supply filtered water to approximately 450 families in Sigiriya. Some CSOs also partnered with local companies. HSBC Sri Lanka and the youth movement Sri Lanka Unites collaborated to provide 150 scholarships in the Mullaitivu District in the North. In December, Berendina Employment Center (BEC), a CSO under the Berendina Group, worked with Give2Lanka to award educational scholarships to advanced-level examination students in the Hatton District.

SECTORAL INFRASTRUCTURE IN SRI LANKA



PUBLIC IMAGE: 4.6

PUBLIC IMAGE IN SRI LANKA



The CSO sector’s public image deteriorated in 2018 as negative statements about rights-based CSOs increased in 2018. For instance, President Sirisena branded human rights organizations and activists as sympathizers of the Liberation Tigers of Tamil Eelam (LTTE) separatist group. The president also blamed “NGOs”—referring to donor-funded organizations—for the ongoing protests in the North and East and accused them of “misleading” the public. At the same time, the government continued to have a positive perception of service-providing CSOs .

The government took reactive measures to regulate the media in 2018. In March, Sri Lanka imposed a ten-day, country-wide ban on certain social media platforms in response to anti-Muslim violence. In October, during the political crisis, heads of state-owned media were replaced. Most of the public therefore turned to alternate channels to share information—such as Twitter, Facebook, WhatsApp, and some private independent media. During the political crisis, the press covered some CSO statements that were critical of government. For example, prominent newspapers such as Daily Mirror, The Sunday Times, Lankadeepa, and Veerakesari reported on civil society protests and statements by CSOs and activists. Service-providing CSOs receive minimal media coverage of their work.

The public perception of rights-based CSOs improved slightly during the political crisis; however, this was mainly attributed to worsening public perceptions towards the government and this improvement was short-lived.

Service-providing CSOs, on the other hand, tend to benefit from more positive public perceptions across the country.

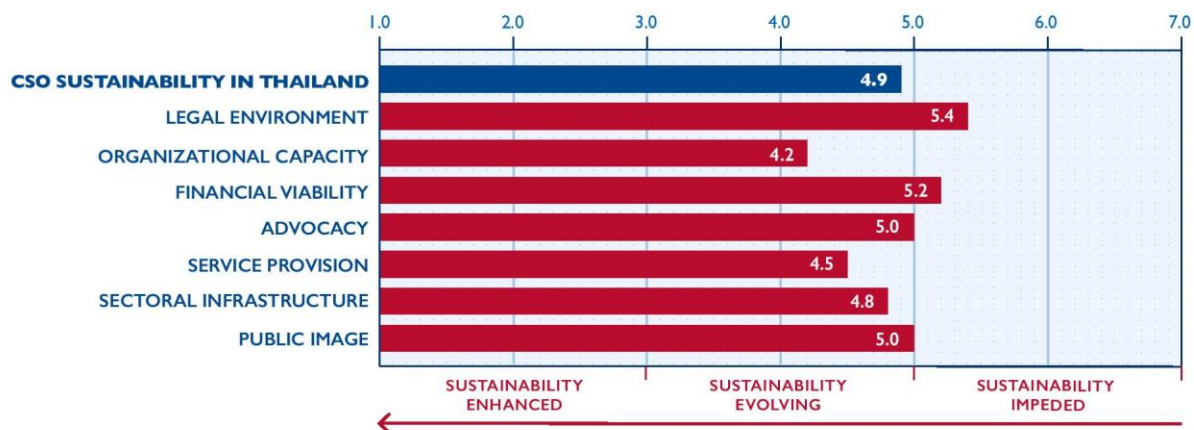
Private sector perceptions of CSOs did not improve. The negative image of CSOs portrayed by the government and publicized in the media contributed to further distancing between CSOs and the private sector during the year. Companies prefer to support development-related issues over rights-based issues.

CSOs' public outreach activities are still limited geographically. Only larger CSOs publish annual reports, and many CSOs are not aware that NGOs can be required to disclose information under the RTI Act.

THAILAND

Capital: Bangkok
Population: 68,615,858
GDP per capita (PPP): \$17,900
Human Development Index: High (0.755)
Freedom in the World: Not Free (31/100)

OVERALL CSO SUSTAINABILITY: 4.9



The National Council for Peace and Order (NCPO), a military junta, continued to rule Thailand in 2018, despite the commitment of Prime Minister Prayut Chan-o-cha to end the now four-year military rule. Section 44 of the 2014 interim constitution allows the prime minister to exercise absolute power without accountability or oversight. The 2017 constitution endorses the continuation of this power. General elections were scheduled for March 2019, fueling the emergence of new political parties, such as the Future Forward party and the Commons party, that are comprised of various civil society activists, academics, and younger people seeking to bring democracy back to Thailand.

Thailand achieved greater economic growth in 2018, with gross domestic product (GDP) increasing at a rate of 4.2 percent. This growth has been achieved largely through government-supported development projects that are in line with the twenty-year National Strategic Plan (2017-2036), which aims to improve Thailand's business environment and long-term economic performance. High levels of tourism in 2018 also contributed to economic growth and an increase in domestic private spending and investments.

The conflict in Thailand's Deep South between the insurgent group Barisan Revolusi Nasional (BRN) and the Thai authorities continued in 2018, although there were some promising developments. In February, the MARA Patani, a pro-dialogue umbrella organization uniting six insurgent groups, nearly reached an agreement with Thai authorities on a ceasefire zone, but the Thai authorities ultimately refused to conclude the agreement. In October, Malaysian Prime Minister Mahathir and Thai Prime Minister Chan-o-cha held discussions on increasing their cooperation on security issues such as terrorism, extremism, and transnational crime, and Mahathir committed to help end the violence in the South. According to news sources, in November BRN stated it had "slowed down its military operations as it is pursuing the political way."

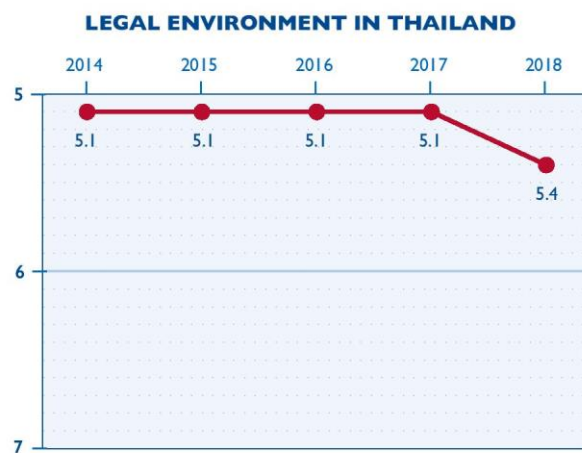
The ongoing political issues undermined CSOs' ability to operate in 2018. The government suspected some CSOs of being part of the separatist movement in the Deep South because they were led by Malay Patani people and are focused on issues such as torture and peace talks, and therefore subjected them to heavy surveillance. For example, military officers visited human rights defenders who reported human rights abuses and state violence in the Deep South. Human rights defenders also faced criminal charges in 2018. For example, a former human rights specialist at CSO Fortify Rights was criminally charged for sharing on social media the organization's film about fourteen migrant employees who reported labor rights abuses by Thammakaset Company.

CSO sustainability in Thailand deteriorated in 2018, with declines noted in all dimensions. The legal environment was especially challenging—state harassment dramatically increased and CSOs continued to experience barriers to

registration. CSOs had less access to funding, which also resulted in a deterioration in their organizational capacity, with most CSOs struggling to retain staff. The diminished financial and human resources, together with increased state harassment and NCPO obstruction of CSOs' activities, also led to a deterioration in service provision. CSOs' ability to engage in effective advocacy decreased as the NCPO largely operated without transparency and obstructed numerous advocacy campaigns. Sectoral infrastructure weakened as intermediary support organizations (ISOs) and CSO resource centers struggled to offer services that CSOs could afford. Finally, the government's efforts to monitor media and prosecute those who spread information that is critical of the government reduced CSOs' media coverage, resulting in a weaker public image.

Thailand's CSO sector includes various types of organizations, both registered and unregistered. Foundations are the most common type. In addition, there are international non-governmental organizations (INGOs), associations, clubs, social enterprises, community-based organizations (CBOs), and grassroots movements. The CSO sector works on a wide range of issues including land tenure, community rights, sexual and reproductive health and rights, women's empowerment, and labor rights. In addition, many CSOs aim to enhance the rights and welfare of various vulnerable groups, including indigenous peoples, peasants and farmers, migrant workers, lesbian, gay, bisexual, transgender, and intersex (LGBTI) persons, sex workers, people living with HIV, persons with disabilities, children, and the elderly. There is no reliable data on the number of registered or unregistered CSOs in Thailand in 2018. However, according to a report by the Ministry of Interior covering the period between October 1, 2016 and March 31, 2017, there were approximately 27,000 foundations and associations operating in the country.

LEGAL ENVIRONMENT: 5.4



Thailand remained under military rule in 2018, and Section 44 of the 2014 interim constitution, the 2017 constitution, and NCPO Orders continued to limit the ability of CSOs to operate.

An increasing number of human rights activists, journalists, and other members of civil society were harassed, charged, and imprisoned under various legal provisions in 2018. A number of laws and regulations are used to restrict civil liberties. NCPO Order No. 3/2015 on the Maintenance of Public Order and National Security allows “peacekeeping officers” to search and detain individuals up to seven days without a warrant and prohibits political gatherings of more than five persons. The Computer Crime Act (CCA) authorizes the Ministry of Digital Economy and Society to order the removal of

“false content” online, which often includes information that criticizes the junta or monarchy. The Emergency Decree on Public Administration in the State of Emergency authorizes warrantless detention for more than thirty days and prohibits the publication and distribution of information that may cause panic. Other laws used to restrict civil liberties include the Public Assembly Act, Penal Code Section 116 on sedition, and Criminal Code Section 326-333 governing defamation. In 2018, 400 charges were brought against over 260 persons under these laws. In January 2018, for example, sixteen people protesting against the construction of a coal-fired power plant in Thepa, Songkhla province were charged under the Public Assembly Act, and in May, the police detained leaders of a pro-democracy, anti-junta protest under NCPO Order 3/2015. The high number of charged persons is attributed to the increased number of pro-democracy protests and calls for elections by civil society actors.

In view of the upcoming elections in March 2019, the government decriminalized the political assembly of more than five persons through NCPO Order No. 22/2561 in December 2018. However, the order also stipulates that “it does not impact the prosecution of cases, proceedings, or actions according to the announcements and orders carried out prior to the nullifications made by it,” which indicates that prosecutions initiated prior to NCPO Order 22/2561 will continue.

Lèse majesté, defined as insulting, threatening, or defaming a member of the Thai monarchy, continues to be a crime under Section 112 of the criminal code. However, King Vajiralongkorn has instructed the Chief Justice and

the Attorney General to bring an end to prosecutions invoking Section 112 and to not allow it to be used as a political tool. No new cases of lèse majesté were prosecuted in 2018, and several ongoing cases were dismissed. Despite this promising development, other laws such as Penal Code Section 116 and the CCA continued to be used to punish criticism of the monarchy.

Companies also used the law to suppress human rights activists through long and expensive judicial processes. For instance, in October 2018, Thammakaset Company, a Thai-owned poultry farm in Lopburi Province, filed criminal defamation charges against a former Burmese migrant employee for speaking out against labor abuses. The company also brought thirteen criminal and civil cases against fourteen migrant workers and human rights defenders who denounced its labor practices.

INGOs working on human rights were especially impacted by Thailand's restrictive legal environment and were vulnerable to harassment. INGO staff members—both foreign and local—report that the government views them as threats to peace, public order, and/or national security, and as foreign representatives. Several foreign employees working for INGOs were denied work permits or were heavily questioned by immigration officials.

Media organizations were also subjected to state harassment in 2018. For example, media channel Peace TV and talk programs Tonight Thailand and Wake Up News were temporarily shut down and forced off the air due to non-compliance with laws and regulations which prohibit the spread of information critical of the military government and the monarchy.

Laws governing CSO registration are not implemented in accordance with their provisions. According to the law, a CSO may register as a foundation with the Ministry of Interior if it works for the public benefit; its board of directors includes at least three Thai nationals; it provides a bank statement with a balance of at least 200,000 Thai Baht (about \$6,000); and it does not contradict the law, good morals, or national security. However, even when these requirements are met, CSOs can experience difficulties. Registration officials often reject CSOs in Southern Thailand because they perceive organizational names as “misleading.” Rejected organizational names include the Malay word Patani, which refers to the Muslim Malay minority in the South and which registration officials associate with the separatist movement. Registration is also often denied to CSOs working on human rights issues. For example, Amnesty International's Regional Office was unable to register with the Ministry of Labor during the year, reportedly because Thai board members of Amnesty International Thailand, which is registered as a local CSO, are perceived as political activists.

Laws do not directly limit the scope of CSOs' activities; however, CSOs' activities are restricted through the enforcement of the laws mentioned previously that impact assembly and expression. In addition, according to the Civil and Commercial Code, CSOs can be inspected at any time, and government officials are authorized to enter offices and request documents to examine whether CSOs' operations comply with laws and regulations. In 2018, the government increased its monitoring of CSOs working on issues such as peace and natural resources. CSOs operating in Southern Thailand and working on politically sensitive issues such as peace, land, and natural resources prefer not to register in order to avoid inspections by state authorities. According to the Civil and Commercial Code Section 131, the government can dissolve a CSO if its operations are considered to be against public morals or a threat to public order or national security.

In July 2018, the Cabinet of Ministers approved the Bill on Social Enterprises Promotion, which was then submitted to the National Legislative Assembly (NLA). Once approved by the NLA, the Bill must be signed by the King and published in the Government Gazette to become law. The Bill will govern social enterprises, as well as businesses, foundations, and associations focusing on community development, social and environmental issues, and narrowing the income gap. Under the Bill, the government plans to establish a fund to promote social enterprises. Individuals investing in social enterprises will also receive tax deductions on their invested amounts.

Registered CSOs are able to apply for tax-exempt status; however, most CSOs are unfamiliar with the process. Under the Revenue Code, individuals and corporations that donate to foundations and associations can receive tax deductions, at a maximum of 10 percent of income for individuals and 2 percent for corporations.

CSOs are allowed to accept funds from domestic and foreign donors, engage in fundraising campaigns, and earn income. If a foundation makes a profit, the profit is taxed at a rate of 1 percent.

Legal assistance for CSOs is lacking, although demand for it is high. Pro bono lawyers mainly operate in cities, making it especially difficult for CSOs in rural areas to access legal help.

ORGANIZATIONAL CAPACITY: 4.2

The organizational capacity of CSOs decreased slightly in 2018 as CSOs faced increased difficulty retaining human resources.

Due to the NCPO's restrictive activity in rural areas, some CSOs struggle to build strong relationships with their beneficiaries. For example, in the Deep South, the government strictly monitors organizations, causing local communities to avoid collaborating with them.

CSOs in both Northern and Southern Thailand working on the rights of indigenous peoples have close relationships and trust with their constituencies, enabling them to better understand and effectively address their constituencies' needs. Most grassroots organizations and environmental defenders act to address the challenges, needs, and demands of their beneficiaries, which are often villagers or rural communities.

Most CSOs have clear mission statements, but only a few have the capacity to develop strategic plans and they often experience challenges in implementing them. Due to a lack of resources, CSOs often depend on project-based grants and follow donor requirements rather than their own strategic plans to guide their work.

In 2018, various CSOs in Northern, Northeastern, and Southern Thailand experienced increased staff turnover and difficulty maintaining personnel due to declines in funding. For example, as a result of funding difficulties, volunteers comprised 80 percent of the staff of a network of twenty-one CSOs in the South, compared to 70 to 75 percent in previous years; the network preferred to remain unnamed. Because volunteers often make a poor living on the side and the work for CSOs in the South is challenging both physically and mentally, they often quit to earn income elsewhere. The mental health of staff has also declined, causing staff to resign and thereby impacting CSOs' organizational capacity. This issue is especially prevalent among small CSOs with limited resources in which staff members tend to hold multiple positions. On the other hand, INGOs in Thailand have sufficient core funding and staff. In addition, they often have adequate human resources practices and can utilize professional services.

Most national and local CSOs also lack internal management structures. Many CSOs, especially CBOs and grassroots movements, do not have human resources and accounting systems in place.

Most CSOs, both in urban and rural areas, have internet access and use it in their work to some extent. Larger CSOs with more resources have greater access to information and communications technologies (ICT) and have offices and computers, whereas grassroots organizations use personal mobile phones to communicate with others in their networks through apps such as Facebook and LINE. In 2018, the availability of technology for CSOs increased as companies like Microsoft and Oracle offered free tools and services to CSOs as part of their corporate social responsibility (CSR) programs. However, most CSOs, especially those outside of Bangkok, are unaware of these initiatives.

ORGANIZATIONAL CAPACITY IN THAILAND



FINANCIAL VIABILITY: 5.2

The financial viability of CSOs in Thailand declined slightly in 2018 as CSOs experienced increased difficulty in accessing funding and therefore had fewer resources to assist communities in need. This challenge was especially acute for CSOs in rural areas with limited resources and staff capacity to identify funding opportunities. For example, staff of the Indigenous Women's Network of Thailand had difficulty understanding and completing donor forms.

Since Thailand moved from a lower-middle income to an upper-middle income country in 2011, foreign donors have shifted their priorities to poorer countries. Thai CSOs thus are more dependent on domestic sources of funding, which were difficult to access in 2018.



Various ministries provide funding to CSOs. For example, in 2018 the Ministry of Culture awarded funding to ten CSOs for cultural projects, such as music for the blind and awareness-raising of the monarchy's cultural value. In general, however, the Thai government appeared hesitant to fund CSOs in 2018. After the Thai Health Promotion Foundation (ThaiHealth), a major donor to many CSOs working on health-related issues, misappropriated government funds in 2015, the government froze its funding for CSOs. In 2018, the government resumed funding CSOs, but imposed more rules and regulations on CSOs receiving such funds, particularly through ThaiHealth. In addition, in contrast to previous years, the government did not provide ThaiHealth with funds from the 2 percent tax on alcohol and tobacco in 2018. There is no system to evaluate

CSOs' effectiveness in implementing government-funded projects.

Furthermore, in 2018, the government threatened CSOs and their supporters over funding, something that had not been experienced in previous years. For example, police and military officers threatened to reduce the budget of a university in Northeastern Thailand if it collaborated with CSOs, and they warned lecturers and students not to engage in protests and political activities. The increased threats over funding are linked to the government's view that certain CSO activities—such as protesting development projects and demanding multi-stakeholder approaches and impact assessments before implementing projects—conflict with economic development and national security.

CSOs also experienced increased difficulty accessing foreign funding in 2018. Major foreign donors in Thailand include USAID, the Canadian Embassy through its Canada Fund for Local Initiatives (CFLI), the British Embassy through its Magna Carta Fund, and the Embassy of Japan. Japanese assistance under the Grant Assistance for Grassroots Human Security Projects (GGP) Scheme significantly declined in 2018. The GPP Scheme supported four projects worth 8 million Thai Baht (about \$255,000) in 2018, compared to eight projects worth 19 million Thai Baht (about \$606,000) in 2017. CBOs in rural areas face special challenges, including a language barrier as donors typically correspond in English. Furthermore, CSOs working on sensitive issues such as reproductive health and LGBTI rights have noted a flux in support from foreign countries depending on different administrations.

According to AIDSPAN, an independent watchdog of the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund), the Global Fund provided \$38 million to the Ministry of Health and the Raks Thai Foundation for Thailand's HIV funding requests for 2018 to 2020; some of the funds received by Raks Thai Foundation will be distributed to local CSOs. Although Thailand had planned to fully transition to domestic funding for HIV-related projects by 2017, various stakeholders expressed concern that domestic funding was insufficient and that the government sought to deny HIV prevention services to key populations, especially homosexual men.

CSOs continue to struggle to raise funds from the public. Based on their Buddhist beliefs and the negative image of CSOs as adversaries of the State, Thai people prefer to donate to temples instead of CSOs. Some corporations have partnered with CSOs as part of their CSR initiatives, but such partnerships remain challenging due to conflicting approaches and working strategies. Furthermore, many companies seem to conduct CSR initiatives to enhance their reputations through philanthropic initiatives rather than to achieve social or environmental change through meaningful engagement with CSOs.

CSOs in Thailand also try to generate their own resources. Although fundraising is permitted, in June 2018, an INGO decided to shut down its fundraising campaign because of reactions on social media containing hate speech and threats to its staff. Besides fundraising, CBOs in Northeastern, Northern, and Southern Thailand—particularly those comprised of indigenous groups and informal workers—sell items, such as clothing and textiles. While democracy activists in Southern Thailand have established small businesses to generate income, they often lack the knowledge and experience required to run successful businesses. In 2018, earned income among CSOs increased slightly as more organizations began to establish social enterprises.

Generally, CSOs do not have financial management systems in place. In particular, small CSOs, CBOs, and grassroots movements lack accounting systems and procurement guidelines. Most of them only employ basic bookkeeping, which they generally maintain on paper rather than electronically.

ADVOCACY: 5.0

CSOs' capacity to carry out effective advocacy decreased in 2018. The NCPO increasingly operated without transparency, making high-level decisions without public consultations. In 2018, the Thai government passed at least sixty-five laws, including NCPO Orders; of those, only nine draft laws were presented for public hearings and consultations. For example, laws concerning politically sensitive issues, such as the Eastern Special Zone Development Act B.E. 2561 (2018) which focuses on economic development, were not open to public participation.

Even when public hearings are organized to gather public input on draft legislation or policies, CSOs report that their comments and recommendations are not incorporated into the final versions. In 2017, for example, the government, in collaboration with Manushya Foundation, held four regional dialogues to consult with local communities to ensure that the National Action Plan (NAP) on Business and Human Rights (BHR) would address their needs. However, the government did not incorporate the recommendations provided during these dialogues into the final NAP in 2018, which fueled doubts on the extent to which the recommendations were genuinely considered.

Government actions often directly discourage CSO advocacy. In January 2018, a group of activists organized the We Walk campaign, in which protesters marched 450 kilometers from Bangkok to Khon Kaen to raise awareness of the negative effects of the NCPO's rules and regulations on land tenure, food sovereignty, and health, and to demand public participation in policy making and respect for human rights. Security officers tried to stop the march, and eight protesters were charged under NCPO Order No. 3/2015, which prohibits political gatherings of more than five persons. In May 2018, authorities prevented around 100 members of P-Move grassroots network from joining a peaceful protest in Bangkok by halting their buses at checkpoints. In addition, three P-Move leaders were arrested.

CSO input often conflicts with government interests. While CSOs aim to enhance public participation and human rights, government priorities are often focused on maintaining control and national security and enhancing economic growth. For example, in the case of the coal-fired power plant in Songkhla Province, the government prioritized economic growth over the rights of communities living in the area. Only supporters of the plant were engaged in the environmental impact assessment for the project, and the community at large was not informed of the negative impacts the power plant could have on their livelihoods and the environment. The Songkhla-Pattani Network against the Thepa Plant complained about the flawed process to the Electricity Generating Authority of Thailand (EGAT) and organized a hunger strike to demand the shutdown of the plant. These efforts initially appeared successful as the Ministry of Energy signed a memorandum of understanding (MOU) with the network in February 2018, in which it promised to undertake a new environmental impact assessment. In March, however, the Ministry of Energy signed a contradictory MOU with supporters of the power plant, the Songkhla Residents for Sustainable Development, promising to stick to the findings of the older assessment.

Despite these obstacles, CSOs continue to carry out advocacy campaigns to shape the public agenda. Various campaigns in 2018 aimed to stop or delay government-supported development projects and to call for elections. In general, these campaigns and movements are organized informally and led by grassroots and local CSOs.

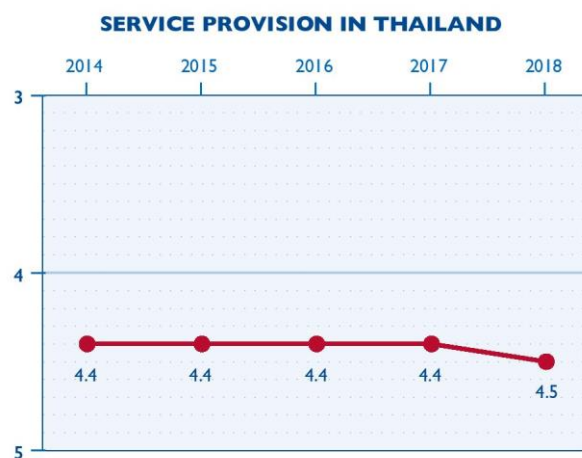
Social media has made engaging in advocacy somewhat easier, but the effectiveness of social media for advocacy is impeded by government monitoring of social media and laws such as the CCA that empower the government to deem any negative or critical information as "false information." For example, in February 2018, a human rights



activist was charged under the CCA, Section 14(1), for demanding free and fair elections in a Facebook post. Media channels and political opposition parties are also monitored under this provision. In April 2018, a local magazine editor was charged for publishing an image of ancient kings wearing face masks to highlight the problem of air pollution, and in September, two members of the Future Forward Party, an opposition party, were charged for spreading “false information” about the military. NCPO Orders No 97/2014 and No 103/2014 also prohibit media outlets and individuals both on traditional and social media from distributing information regarded as “malice,” “false information,” or with an “aim to discredit” the junta.

In general, CSOs do not lobby for the reform of specific CSO laws. In the current environment, CSOs fear that any such efforts could make the situation for CSOs more difficult.

SERVICE PROVISION: 4.5



In 2018, CSO service provision worsened slightly. Due to decreased funding, CSOs struggled to maintain the expertise, capacity, and resources required to respond to the needs and priorities of their beneficiaries. In addition, even though the government recognizes the important role of CSOs in service provision, in practice the government obstructed the delivery of CSO services.

CSOs in Thailand offer a wide variety of services. These include shelters for victims of domestic violence; access to safe abortion; health facilities for sex workers; advancement of the rights of LGBTI persons, indigenous peoples, and migrant workers; emergency relief; community empowerment; legal assistance; human rights advocacy and education; research; and capacity building.

CSO services mostly respond to the needs and priorities

of communities, such as the adverse effects of development projects on communities; land tenure issues; discrimination against the LGBTI community; and human rights abuses of migrant workers. For example, the CSO Migrant Workers Federation aims to build a coalition of groups and individuals to enhance migrant workers’ rights, and provides migrant workers with free legal counsel, education on labor rights, and information on the Thai judicial system.

However, CSOs often do not have the required expertise, capacity, and resources to fully address their beneficiaries’ problems. In July and August 2018, in Chayaphum Province in the Northeastern part of Thailand, the Court of First Instance found fourteen land rights defenders guilty of trespassing and destroying a National Park area, even though they rightfully owned the land and lived in the area before it was declared a National Park area. Accordingly, the villagers required legal assistance and financial resources. However, the organization supporting them, the Isaan Land Reform Network, did not have the needed expertise or resources. In other cases, CSOs cannot effectively respond to beneficiaries’ needs because CSO personnel are subject to harassment, especially in the Deep South. For example, in 2018, military officers harassed CSO personnel in Southern Thailand working on peace and natural resources through arrests, surveillance, detention in “re-education” camps, and judicial harassment. As a result, CSO employees sometimes hesitate to assist community members.

Furthermore, CSO services are not always equally accessible by all. For example, women in rural areas might need to travel several hundred kilometers to access clinics that provide safe abortions discreetly, as abortion remains illegal in Thailand. Lastly, as CSO work in Thailand is challenging and activists are exposed to many risks, activists have experienced declining mental health, decreasing the effectiveness of service delivery. For example, in 2018, LGBTI activists reported feeling suicidal, due to society’s judgments about their identity and activism, and the lack of access to mental health treatment.

Services are typically funded by donors, and CBOs and grassroots movements are funded by larger local CSOs through sub-granting schemes. CSOs mostly provide their services free of charge as their beneficiaries are generally community members with little income and are unable to pay for such services.

Even though the government recognizes the important role of CSOs in service provision and has requested more CSO participation in national development projects as laid out in the Twelfth National Economic and Social Development Plan (2017-2021), in practice there is limited government recognition of and support for CSOs. Depending on their thematic areas, the government often perceives CSOs as opponents. For example, in Northeastern Thailand, the government obstructed the work of CSOs assisting communities facing adverse impacts of government-supported development projects; and in Northern Thailand, CSOs working on community rights have been subject to increased restrictions from the NCPO. In both cases, service delivery has been reduced as a result.

SECTORAL INFRASTRUCTURE: 4.8

The infrastructure supporting the CSO sector weakened in 2018.

Only a few CSO resource centers and ISOs—such as NEEDeed and Community Organizations Development Institute (CODI)—operate in Thailand. In 2018, CSO resource centers and ISOs offered more technical support and trainings. In addition, companies provided free capacity-building activities as part of their CSR initiatives. For example, Microsoft and Oracle provide free products and licenses to CSOs, though few CSOs are aware of these opportunities. However, CSO resource centers and companies still only have the capacity to support a small portion of CSOs in Thailand. For example, in 2018 NEEDeed was able to assist only five to ten CSOs, most of which were located in

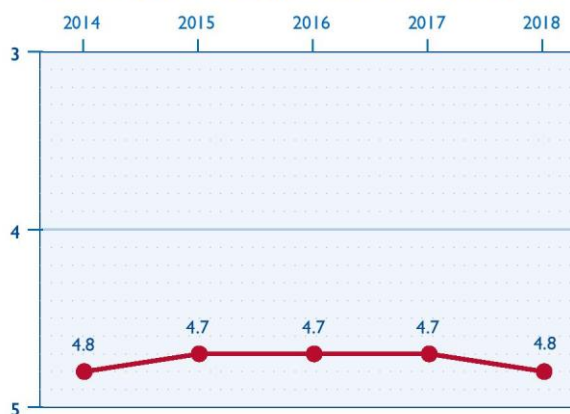
Bangkok, in part because it faced challenges offering its services at an affordable price. Many Thai CSOs, especially those located outside of urban areas, do not know about the existence of or have access to ISOs and CSO resource centers. For example, according to CSOs working on community and land rights in Southern and Northern Thailand, there are no ISOs and CSO resource centers in their areas. CSOs also receive some support from other CSOs. However, this support is limited and only covers specific topics, such as conducting internal monitoring and evaluation, or fulfilling reporting requirements to donors.

CSOs have access to trainings provided by local scholars, lawyers, partner organizations, and other experts covering various topics such as capacity building, leadership, advocacy, human resources, and legal knowledge. However, these trainings mostly take place in Bangkok and are fee-based. Therefore, mainly Bangkok-based CSOs with sufficient funding benefit from these trainings. CBOs in Northeastern Thailand have difficulty attending trainings in distant locations as many CSO members face travel restrictions or are monitored, intimidated, and harassed by the government through judicial means and house visits.

In order to support local and grassroots organizations, various CSOs in Thailand sub-grant funds received from international donors. In 2018, Manushya Foundation provided 3.8 million Thai Baht (about \$121,000)—sourced from various donors such as the embassies of Canada and the United Kingdom and Internews — to several marginalized communities.

CSO networks remained the principal channel of CSO support and in 2018, various intersectional and inclusive CSO networks were established or became newly active. For example, the Thai BHR Network was established in 2017 but became active in 2018. This network includes human rights defenders, researchers, academics, community leaders, and CSOs that aim to ensure that communities are central to government policies with respect to business and human rights. The We Fair Welfare Network, established in 2018, consists of thirteen health-related organizations that aim to reduce wealth and social inequality through the promotion of progressive policies to reform the welfare system. In other parts of Thailand, CSOs collaborated less prior to the national election. For example, in Northern Thailand, CSOs were not united in 2018 due to political conflicts between CSOs and community members who supported the government and those who opposed the government.

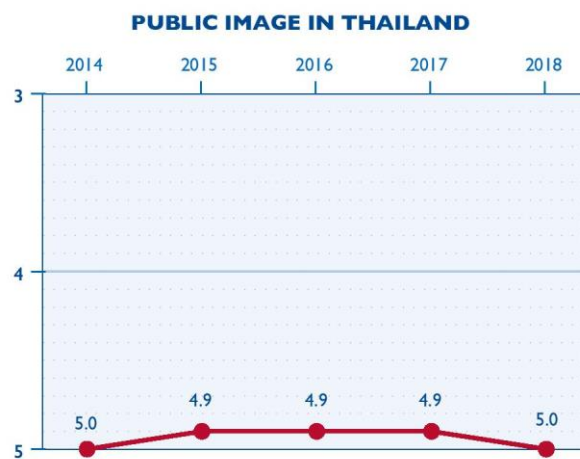
SECTORAL INFRASTRUCTURE IN THAILAND



There are coalitions around peacebuilding, but many cannot engage openly. The Global Partnership for the Prevention of Armed Conflict (GPPAC) is a regional organization working on peacebuilding in Southeast Asia, including in Thailand's Deep South. Local CSOs working with the Minority Rights Group International also undertake projects contributing to peacebuilding.

In 2018, CSOs engaged in multisectoral partnerships. For instance, corporations partnered with CSOs as part of their CSR initiatives, and the government aims to involve CSOs in national development plans. In 2018, Charoen Pokphand Foods PLC and the Labor Rights Promotion Network Foundation established the Labor Voice joint project, which aims to improve migrant workers' quality of life, prevent unfair labor practices, and promote awareness of Thai labor law protections among migrant workers. As part of the project, 960 migrant workers were trained on labor regulations and welfare. The partnership will continue in 2019, and a Labor Voices Hotline will be set up to promote fair labor practices within Charoen Pokphand Foods. Nevertheless, multisectoral partnerships remain challenging due to conflicting understanding of fundamental concepts, practical approaches, and working strategies. Corporations hold the economic power and perceive themselves as facilitators and decision makers in projects, while CSOs believe that corporations should not interfere in projects, even though they are providing the funding. Furthermore, companies often seem to engage in CSR initiatives to improve their public image rather than support the activities of CSOs. Therefore, CSOs treat funding from corporations with suspicion.

PUBLIC IMAGE: 5.0



The public image of CSOs worsened in 2018. As more human rights defenders were charged under restrictive laws in 2018, journalists increasingly self-censored and the media provided less coverage of CSOs out of fear that the government would also consider them as opponents. In Northern and Southern Thailand, the media has been unwilling to cover the concerns of indigenous communities. On the other hand, CSOs in Southern Thailand in Songkhla province working on community and land rights are the main sources of information for media channels.

In 2018, the government discredited human rights activists in the media several times. For example, in October, Thailand's Army Chief stated that people who criticize the monarchy may be thrown into mental

asylums instead of prison. He noted that "insult and disrespect mostly comes from people who have mental disorders."

The perceptions of the public, businesses, and the government towards CSOs vary greatly depending on the nature of CSOs' work. Welfare-based CSOs, such as those providing assistance to persons with disabilities, children, and women, generally have positive perceptions. On the other hand, CSOs focused on politically sensitive issues, such as assistance to communities affected by government-backed development projects, are viewed as disruptive or even threats to national security. Businesses in particular disfavor CSOs that advocate against business activities that may have harmed communities. In Southern Thailand, however, the public perceives such CSOs positively because they directly help communities. With few exceptions, the government generally perceives CSOs as adversaries, and staff working with some INGOs are even perceived as "enemies of the nation." Moreover, such organizations have received messages from Thai citizens containing hate speech and threats on their social media page. In 2018, a CSO promoting legal abortion also received negative comments on its website.

In 2018, CSOs made various efforts to promote their image and activities. For example, indigenous women's groups have promoted their image and raised public awareness of their issues and activities through Indigenous Voices in Asia, a media showcase. Further, abortion clinics began to promote their activities and image through their websites. CSOs also have developed relationships with journalists based on the issues they cover. However,

due to media self-censorship, journalists are often extra cautious about the information they report. Given the self-censorship of traditional media, CSOs increasingly use social media to promote and implement their work.

CSOs abide by internal codes of conduct or core values that are drafted during the establishment of their organizations. However, most CSOs, especially those working on politically sensitive issues, do not take steps to be transparent in their operations, as this would increase their risk of government monitoring and restriction. CSOs also typically do not produce annual reports, as most lack sufficient resources and staff.

ANNEX A: CSO SUSTAINABILITY INDEX METHODOLOGY

INSTRUCTIONS FOR CSOSI IMPLEMENTING PARTNERS

2018 CSO SUSTAINABILITY INDEX

I. INTRODUCTION

USAID's Civil Society Organization Sustainability Index (the Index or CSOSI) reports annually on the strength and overall viability of CSO sectors in Africa, Asia, Middle East and North Africa (MENA), Central and Eastern Europe and Eurasia, and Mexico. The CSO Sustainability Index is a tool developed by USAID to assess the strength and overall viability of CSO sectors in countries around the world. By analyzing seven dimensions that are critical to sectoral sustainability, the Index highlights both strengths and constraints in CSO development. The Index allows for comparisons both across countries and over time. Initially developed in 1997 for Central and Eastern Europe and Eurasia, the CSO SI is a valued tool and methodology used by non-governmental organizations (NGOs), governments, donors, academics and others to better understand the sustainability of the civil society sector. USAID is continually striving to ensure the cross-national comparability of the Index scores, and to improve the reliability and validity of measurements, adequate standardization of units and definitions, local ownership of the Index, transparency of the process of Index compilation, and representative composition of panels delivering the scores.

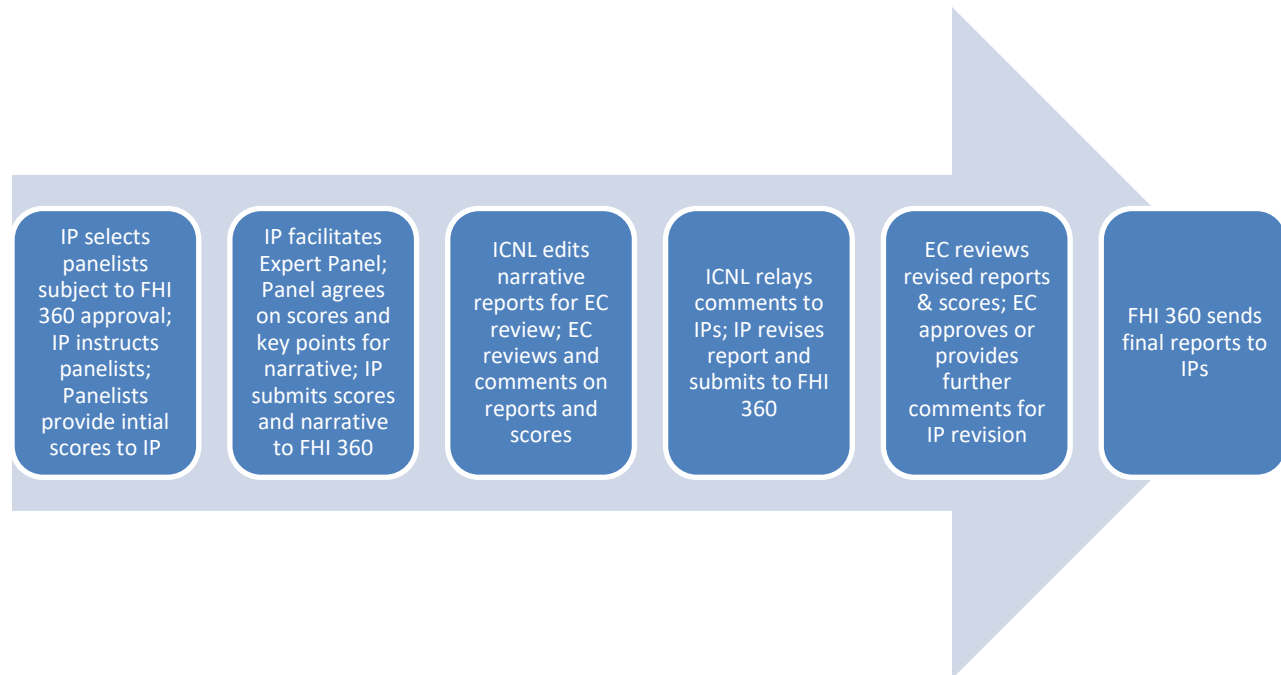
Beginning with the 2017 Index and for the following four years, FHI 360 and the International Center for Not-for-Profit Law (ICNL) are managing the coordination and editing of the CSOSI. A senior staff member from both FHI 360 and ICNL will serve on the Editorial Committee as will one or more senior USAID/Washington officials. FHI 360 will provide small grants to local CSOs to implement the CSOSI methodology in country, while ICNL will be primarily responsible for editing the reports. Local Implementing Partners (IPs) play an essential role in developing the CSO SI and need a combination of research, convening, and advocacy skills for carrying out a high quality CSOSI.

Local Implementing Partners should please remember:

- Panels must include a diverse range of civil society representatives.
- Panelists should formulate initial scores for dimensions and justifications individually and in advance of the Panel Meeting.
- Discuss each indicator and dimension at the Panel Meeting and provide justification for the proposed score for each dimension.
- Compare the score for each dimension with last year's score to ensure that the direction of change reflects developments during the year being assessed.
- Note changes to any indicators and dimensions in the country report to justify proposed score changes.
- The Editorial Committee will request additional information if the scores are not supported by the report. If adequate information is not provided, the EC has the right to adjust the scores accordingly.

II. METHODOLOGY FOR THE IMPLEMENTER

The following steps should be followed by the IP to assemble the Expert Panel that will meet in person to discuss the status of civil society over the reporting year, determine scores, and prepare a country report for the 2018 Civil Society Organization (CSO) Sustainability Index.



I. Select Panel Experts. Carefully select a group of at least 8-10 civil society representatives to serve as panel experts. Panel members must include representatives of a diverse range of CSOs and other stakeholders, such as:

- CSO support centers, resource centers or intermediary support organizations (ISOs);
- CSOs, community-based organizations (CBOs), and faith-based organizations (FBOs) involved in a range of service delivery and/or advocacy activities;
- CSOs involved in local and national level government oversight/ watchdog/ advocacy activities;
- Academia with expertise related to civil society and CSO sustainability;
- CSO partners from government, business or media;
- Think tanks working in the area of civil society development;
- Member associations such as cooperatives, lawyers' associations and natural resources users' groups;
- Representatives of diverse geographic areas and population groups, e.g. minorities;
- International donors who support civil society and CSOs; and
- Other local partners.

It is important that the Panel members be able to assess a wide spectrum of CSO activities in various sectors ranging from democracy, human rights and governance reforms to the delivery of basic services to constituencies. CSOs represented on the panel must include both those whose work is heavily focused on advocacy and social service delivery. To the extent possible, panels should include representatives of both rural and urban parts of the country, as well as women's groups, minority populations, and other marginalized groups, as well as sub-sectors such as women's rights, community-based development, civic education, microfinance, environment, human rights, and youth. The Panel should to the extent possible include an equal representation of men and women. If two or

more representatives of the same CSO participate in the Panel, they can only cast one vote. It is recommended that at least 70 percent of the Expert Panel be nationals of the country that is being rated.

In some instances, it may be appropriate to select a larger group in order to better reflect the diversity and breadth of the civil society sector in the country. For countries where regional differences are significant, implementers should incorporate, to the greatest extent possible, differing regional perspectives. If financial constraints do not allow for in-person regional representation, alternative, low cost options, including emailing scores/ comments, teleconferencing/Skype, may be used.

If there is a USAID Mission in the country, a USAID representative must be invited to attend the panel. USAID representatives that attend are welcome to provide some words of introduction to open the event, as it is funded by USAID, and they are welcome to observe and participate in the discussion. However, they will not have the ability to cast their vote in terms of scores.

Please submit to FHI 360 for approval the list of the Panel members who you plan to invite at least two weeks before the meeting is scheduled to occur using the form provided in Annex A. It is the responsibility of the IP to ensure that the panel composition, and the resulting score and narrative, are sufficiently representative of a cross-section of civil society and include the perspectives of various types of stakeholders from different sectors and different areas of the country.

2. Prepare the Panel meeting. Ensure that panel members understand the objectives of the Panel, including developing a consensus-based rating for each of the seven dimensions of civil society sustainability covered by the Index and articulating a justification or explanation for each rating consistent with the methodology described below. We encourage you to hold a brief orientation session for the panelists prior to the panel discussion. This is particularly important for new panelists, but is also useful to update all panelists on methodology and process changes. Some partners choose to hold a formal training session with panel members, reviewing the methodology document and instructions. Other partners provide a more general discussion about the objectives of the exercise and process to the panelists.

The overall goal of the Index is to track and compare progress in the sector over time, increasing the

ability of local entities to undertake self-assessment and analysis. To ensure a common understanding of what is being assessed, the convener shall provide a definition of civil society to the panel members. The CSOSI uses the enclosed definition to ensure the report addresses a broad swath of civil society.

In order to allow adequate time to prepare for the panel, distribute the instructions, rating description documents and a copy of the previous year's country chapter to the members of the Expert Panel a minimum of three days before convening the Panel so that they may develop their initial scores for each dimension before meeting with the other panel members. It is critical to emphasize the importance of developing their scores and justifications before attending the panel. It is also important to remind panel members that the scores should reflect developments during the 2018 calendar year (January 1, 2018, through December 31, 2018).

We also recommend you encourage panelists to think of concrete examples that illustrate trends, since this information will be crucial to justifying their proposed scores.

Lastly, it is highly recommended to compile and send to panelists data and information sources to guide them as they score. Recommendations of information sources are listed below under #4.

Definition of CSO:

Civil society organizations are defined "broadly as any organizations, whether formal or informal, that are not part of the apparatus of government, that do not distribute profits to their directors or operators, that are self-governing, and in which participation is a matter of free choice. Both member-serving and public-serving organizations are included. Embraced within this definition, therefore, are private, not-for-profit health providers, schools, advocacy groups, social service agencies, anti-poverty groups, development agencies, professional associations, community-based organizations, unions, religious bodies, recreation organizations, cultural institutions, and many more."

- *Toward an Enabling Legal Environment for Civil Society, Statement of the 16th Annual Johns Hopkins International Fellows in Philanthropy Conference, Nairobi, Kenya. The International Journal of Not-for-Profit Law, Volume 8, Issue 1, November 2005.*

We are very interested in using the preparation of this year’s Index to track lessons learned for use in improving the monitoring process in upcoming years. In addition, we will solicit feedback through regional debrief meetings, and will create an online forum where IPs can share best practices, ask questions, and submit their comments or suggestions. These methods will be supplemented by brief satisfaction surveys that will be used to help evaluate the success of methodological and process innovations.

3. Convene a meeting of the CSO Expert Panel.

3.a. We do not require panelists to score individual indicators but only overall dimensions. For each dimension, allow each panel member to share his or her initial score and justification with the rest of the group. (Note: If two or more representatives of the same CSO participate in the Panel, only one vote can be cast on their behalf.) Although scoring will not take place at the indicator level, please be sure that panel members discuss each indicator within each dimension of the CSOSI and provide evidence-based, country-relevant examples of recent or historical conditions, policies, and events within each of the dimension narratives. Please take notes on the discussion of each indicator and dimension, detailing the justification for all dimension scores, in the template provided. These notes must be submitted to FHI 360 with the first draft of the narratives (they do not have to be translated to English if not originally written in English).

At the end of the discussion of each dimension, allow panel members to adjust their scores, if desired. Then, for each dimension, eliminate the highest score and the lowest score (if there are two or more of the highest or lowest scores, only eliminate one of them) and average the remaining scores together to come up with a single score for each dimension. Calculate the average or arithmetic mean¹ of these scores for a preliminary score for the dimension. Please keep all scores on record, making sure that personal attribution cannot be made to individual panel members. Use a table similar to the one provided below to track panel members’ scores without personal attribution.

Panel Member	Legal Environment	Organizational Capacity	Financial Viability	Advocacy	Service Provision	Sectoral Infrastructure	Public Image
1							
2							
3							

3.b. Once a score is determined for a dimension, please have panel members compare the proposed score with last year’s score to ensure that the direction and magnitude of the change reflects developments during the year. For example, if an improved score is proposed, this should be based on concrete positive developments during the year that are noted in the report. On the other hand, if the situation worsened during the year, this should be reflected in a worse score (i.e. a higher number on the 1-7 scale).

A change of 0.1 should generally be used to reflect modest changes in a dimension. Larger differences may be warranted if there are more significant changes in the sector. The evidence to support the scoring change must always be discussed by the panel and documented in the dimension narrative. See **CSOSI Codebook – Instructions for Expert Panel Members** for more details about this scoring scale.

In addition, for each dimension score, review the relevant description of that dimension in “CSOSI Codebook – Tiers and Scores: A Closer Look.” Discuss with the group whether the score for a country matches that rating description. For example, a score of 2.3 in organizational capacity would mean that the civil society sector is in the “Sustainability Enhanced” phase. Please read the “Sustainability Enhanced” section for Organizational Capacity in “Ratings: A Closer Look” to ensure that this accurately describes the civil society environment.

¹ Arithmetic mean is the sum of all scores divided by the total number of scores.

If the panel does not feel that the proposed score is accurate after these two reviews, please note this when submitting proposed scores in your narrative report, and the Editorial Committee will discuss whether one or more scores needs to be reset with a new baseline. Ultimately, each score should reflect consensus among group members.

3.c. Discuss each of the seven dimensions of the Index and score them in a similar manner. Once all seven dimensions have been scored, average the final dimension scores together to get the overall CSO sustainability score. Please submit the table with the scores from the individual panelists together with the narrative report. Panelists should be designated numerically.

3.d. Please remind the group at this stage that reports will be reviewed by an Editorial Committee (EC) in Washington, D.C. The Editorial Committee will ensure that all scores are adequately supported and may ask for additional evidence to support a score. If adequate information is not provided, the EC may adjust the scores.

4. Prepare a draft country report. The report should focus on developments over the calendar year 2018 (January 1, 2018, through December 31, 2018).

The draft report should begin with an overview statement and a brief discussion of the current state of sustainability of the civil society sector with regard to each dimension. In the overview statement, please include an estimated number of registered and active CSOs, as well as a description of the primary fields and geographic areas in which CSOs operate. Also include a brief overview of any key political, economic, or social developments in the country that impacted the CSO sector during the year. If this information is not provided, the editor will request it in subsequent rounds, which will require additional work from you.

The report should then include sections on each dimension. Each of these sections should begin with a summary of the reasons for any score changes during the year. For example, if a better score is proposed, the basis for this improvement should be clearly stated up front. These sections should include a discussion of both accomplishments and strengths in that dimension, as well as obstacles to sustainability and weaknesses that impact the operations of a broad range of CSOs. Each indicator within each dimension should be addressed in the report.

The report should be written based on the Panel members' discussion and input, as well as a review of other sources of information about the CSO sector including but not limited to analytical studies of the sector, statistical data, public opinion polls and other relevant third-party data. Some international sources of information and data that should be considered include the following:

- CIVICUS Civil Society Index - <http://csi.civicus.org/index.php>
- CIVICUS Monitor -- <https://monitor.civicus.org/>
- World Giving Index - <https://www.cafonline.org/about-us/publications>
- Varieties of Democracy (V-Dem) - <https://www.v-dem.net/en/analysis/analysis/>
- Media Sustainability Index - <https://www.irex.org/projects/media-sustainability-index-msi>
- Nations in Transit - <https://freedomhouse.org/report-types/nations-transit#.VdugbqSF0hI>
- Freedom in the World - <https://freedomhouse.org/report/freedom-world/freedom-world-2017>
- Freedom of the Press - <https://freedomhouse.org/report/freedom-press/freedom-press-2017>
- ITUC Global Rights Index: <https://www.ituc-csi.org/ituc-global-rights-index-2017?lang=en>
- ITUC Survey of Violations of Trade Union Rights: <https://survey.ituc-csi.org/>
- U.S. Department of State Human Rights Report: <https://www.state.gov/j/drl/rls/hrrpt/>
- ICNL Civic Freedom Monitor: <http://www.icnl.org/research/monitor/>
- Carnegie Endowment for International Peace: <https://carnegieendowment.org/regions>
- Afro-Barometer: <http://www.afrobarometer.org/>

Please limit the draft reports to a maximum of **ten pages in English**. Please keep in mind that we rely on implementers to ensure that reports are an appropriate length and are well written.

While the individual country reports for the 2018 CSO Sustainability Index must be brief, implementers may write longer reports for their own use to more fully describe the substance of the panel meetings. Longer reports may include additional country context information or examples and could be used for a variety of purposes, including advocacy initiatives, research, informing project designs, etc.

Please include a list of the experts who served on the panel using the form provided. This will be for our reference only and will not be made public. Also, **please remember to provide the individual panelists' ratings for each dimension** (with the names replaced by numbers).

Submit the draft country reports with rankings via email to FHI 360 by the date indicated in your grant's Project Description.

5. Initial edits of the country report. Within a few weeks of receiving your draft report, FHI 360 and its partner, ICNL, will send you a revised version of your report that has been edited for grammar, style and content. As necessary, the editors will request additional information to ensure that the report is complete and/or to clarify statements in the report. Please request any clarification needed from the editor as soon as possible, then submit your revised report by the deadline indicated.

6. Editorial Committee review. In Washington, an Editorial Committee (EC) will review the scores and revised draft country reports. The EC consists of representatives from USAID, FHI 360, ICNL, and at least one regional expert well versed in the issues and dynamics affecting civil society in the region. A USAID representative chairs the EC. If the EC determines that the panel's scores are not adequately supported by the country report, particularly in comparison to the previous year's scores and the scores and reports of other countries in the region, **the EC may request that the scores be adjusted, thereby ensuring comparability over time and among countries, or request that additional information be provided to support the panel's scores.** Further description of the EC is included in the following section, "The Role of the Editorial Committee."

7. Additional report revision. After the EC meets, the editor will send a revised report that indicates the EC's recommended scores, and where further supporting evidence or clarification is required. Within the draft, boxes will be added where you will note whether you accept the revised scores or where you can provide further evidence to support the original proposed score.

The report should be revised and returned to the editor within the allotted timeframe. The project editor will continue to be in contact with you to discuss any outstanding questions and clarifications regarding the scoring and the report's content. Your organization will be responsible for responding to all outstanding comments from the EC, as communicated by the project editor, until the report is approved and accepted by USAID.

8. Dissemination and promotion of the final reports. After the reports are approved by USAID and final formatting is conducted, the country reports will be grouped into regional reports. Each Implementing Partner will be responsible for promoting both the final, published country report and the regional report. Your organization will conduct activities to promote the Index's use and its visibility. This may include organizing a local public event, panel discussion, or workshop and by making the report available electronically by web posting or creating a social network page for the country report and through the other methods described in your Use and Visibility Plan. Documentation that you have conducted these activities as described in that Plan must be submitted to FHI 360 before it will authorize the final payment.

III. THE ROLE OF THE EDITORIAL COMMITTEE

As an important step in the CSO Sustainability Index process, all country reports are reviewed and discussed by an Editorial Committee composed of regional and sector experts in Washington, DC, and an expert based in the region. This committee is chaired by a USAID Democracy Specialist and includes rotating members from USAID (past members have included experts from regional bureaus, the USAID Bureau for Democracy, Conflict and Humanitarian Assistance's Center of Excellence on Democracy, Human Rights and Governance (DCHA/DRG), the USAID Bureau for Economic Growth, Education and the Environment's Local Solutions Office, and USAID Democracy, Human Rights and Governance foreign service officers). The committee also includes civil society experts from FHI 360 and ICNL.

The Editorial Committee has three main roles. It reviews all reports and scores to ensure that narratives are adequate and compelling from the standpoint of supporting the proposed score and to determine if the proposed change in score is supported by the narrative. A compelling narrative demonstrates that a score results from evidence of systematic and widespread cases and is not based on one or two individual cases. For example, a country environment characterized by a growing number of CSOs with strong financial management systems that raise funds locally from diverse sources is a compelling justification for an elevated financial viability score. A country in which one or two large CSOs now have the ability to raise funds from diverse sources is not. The Editorial Committee also checks that scores for each dimension meet the criteria described in "Ratings: A Closer Look," to ensure that scores and narratives accurately reflect the actual stage of CSO sector development. Finally, the Editorial Committee considers a country's score in relation to the proposed scores in other countries, providing a regional perspective that ensures comparability of scores across all countries.

CSOs are encouraged to remind their panels from the outset that the Editorial Committee may ask for further clarification of scores and may modify scores, where appropriate. **While implementing partners will have the chance to dispute these modifications by providing more evidence for the scores the panel proposed, the USAID Chair of the EC will ultimately have the final say on all scores.** However, by asking panels to compare their scores with last year's scores and "Ratings: A Closer Look" (which is essentially what the Editorial Committee does), it is hoped that there will be few differences between proposed scores and final scores. Ensuring that the narrative section for each dimension includes adequate explanations for all scores will also limit the need for the Editorial Committee to ask for further clarification.

INSTRUCTIONS FOR CSOSI EXPERT PANEL MEMBERS

Introduction

USAID's Civil Society Organization Sustainability Index (the Index or CSOSI) is a tool developed by USAID to assess the strength and overall viability of the CSO sectors. By analyzing seven dimensions that are critical to sectoral sustainability on an annual basis, the Index highlights both strengths and constraints in CSO development.

The Index allows for comparisons both across countries and over time. Initially developed in 1997 for Central and Eastern Europe and Eurasia, the CSOSI is a valued tool and methodology used by non-governmental organizations (NGOs), governments, donors, academics and others to better understand the sustainability of the civil society sector. In 2018 the CSOSI was implemented in 72 countries.

Beginning with the 2017 Index and for the following four years, FHI 360 and the International Center for Not-for-Profit Law (ICNL) are managing the coordination and editing of the CSOSI. To develop the Index each year, FHI 360 provides small grants to local CSOs to serve as implementing Partners (IPs) that implement the CSOSI methodology in country. ICNL is primarily responsible for editing the country reports once they are drafted by IPs. A senior staff member from both FHI 360 and ICNL serves on an Editorial Committee that reviews all reports, as do one or more senior USAID/Washington officials.

The expert panel members for whom this Codebook is designed participate in in-country panel discussions on the seven dimensions of sustainability covered by the Index. The IP convenes these panel discussions annually to assess the situation of civil society in their countries and determine scores based on an objective analysis of the factual evidence.

The CSOSI team is continually striving to ensure the cross-country and cross-year comparability of the Index's scores, as well as to improve the reliability and validity of measurements, standardization of definitions, local ownership of the Index, and transparency of the Index's methodology and processes.

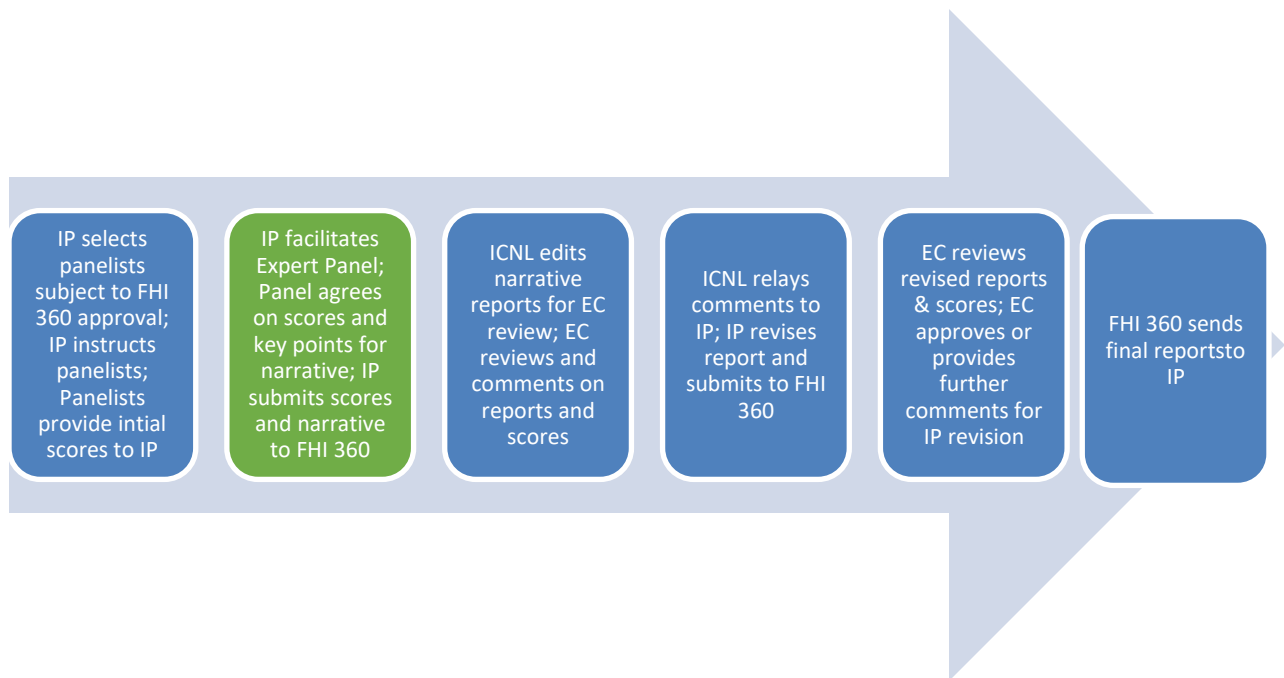
Therefore, FHI 360 has created this Codebook to inform and guide expert panel members through the scoring process. The Codebook provides definitions of the key concepts used to assess the overall strength and sustainability of the civil society sector in a given country, explains the scoring process, and standardizes the scale to be used when proposing score changes.

This is the first part of the Codebook, providing an overview of the concepts and processes that guide the expert panel members' role in the CSOSI's methodology. The second part of the Codebook provides descriptions, or vignettes, of each score for each dimension, to standardize expert panel members' understanding of the scoring scale and to assist them in ensuring that scores are accurate.

CSOSI Methodology

The CSOSI measures the sustainability of each country's CSO sector based on the CSOSI's seven dimensions: legal environment, organizational capacity, financial viability, advocacy, service provision, sectoral infrastructure, and public image. Its seven-point scoring scale mirrors those used by Freedom House in its publications "Nations in Transit" and "Freedom in the World."

The Implementing Partner (IP) in each country leads the process of organizing and convening a diverse and representative panel of CSO experts. Expert panels discuss the level of change during the year being assessed in each of the seven dimensions and determine proposed scores for each dimension. The scores are organized into three basic "tiers" representing the level of viability of the civil society sector: *Sustainability Impeded*, *Sustainability Evolving*, and *Sustainability Enhanced*. All scores and narratives are then reviewed by a Washington, D.C.-based Editorial Committee (EC), assisted by regional civil society experts. The graph below summarizes the approach and process.



Definition of Concepts

The overall goal of the Index is to track progress or regression in the CSO sector over time, increasing the ability of local entities to undertake self-assessment and analysis. To ensure a common understanding of what is being assessed, panel members need a shared understanding of the key concepts underlying their assessment.

Civil Society Organization

Civil society organizations are defined:

“...As any organizations, whether formal or informal, that are not part of the apparatus of government, that do not distribute profits to their directors or operators, that are self-governing, and in which participation is a matter of free choice. Both member-serving and public-serving organizations are included. Embraced within this definition, therefore, are private, not-for-profit health providers, schools, advocacy groups, social service agencies, anti-poverty groups, development agencies, professional associations, community-based organizations, unions, religious bodies, recreation organizations, cultural institutions, and many more.”⁴

This definition of CSO includes informal, unregistered groups and movements, but to be included in the CSOSI, the movement must possess the structure and continuity to be distinguished from a single gathering of individuals and from personal or family relationships. In many countries political parties and private companies establish and support CSOs, but these entities are usually either public, for-profit, or not self-governing.

⁴ *Toward an Enabling Legal Environment for Civil Society, Statement of the 16th Annual Johns Hopkins International Fellows in Philanthropy Conference, Nairobi, Kenya. The International Journal of Not-for-Profit Law, Volume 8, Issue 1, November 2005.*

Seven Dimensions of Sustainability

The CSOSI measures sustainability across seven dimensions by analyzing a series of indicators related to each dimension.

1- **LEGAL ENVIRONMENT:** The legal and regulatory environment governing the CSO sector and its implementation

<i>Registration – Legal procedures to formalize the existence of a CSO</i>
<i>Operation – The enforcement of the laws and its effects on CSOs</i>
<i>State Harassment – Abuses committed against CSOs and their members by state institutions and groups acting on behalf of the state</i>
<i>Taxation – Tax policies that affect CSOs</i>
<i>Access to Resources – Legal opportunities for CSOs to mobilize financial resources</i>
<i>Local Legal Capacity – Availability and quality of legal expertise for CSOs</i>

2- **ORGANIZATIONAL CAPACITY:** The internal capacity of the CSO sector to pursue its goals

<i>Constituency Building – Relationships with individuals or groups affected by or interested in issues on which CSOs work</i>
<i>Strategic Planning – Organizational goals and priorities for a set timeframe</i>
<i>Internal Management – Structures and processes to guide the work of CSOs</i>
<i>CSO Staffing – Quality and management of human resources</i>
<i>Technical Advancement – Access to and use of technology</i>

3- **FINANCIAL VIABILITY:** The CSO sector's access to various sources of financial support

<i>Diversification – Access to multiple sources of funding</i>
<i>Local Support - Domestic sources of funding and resources</i>
<i>Foreign Support – Foreign sources of funding and resources</i>
<i>Fundraising – CSOs' capacity to raise funds</i>
<i>Earned Income – Revenue generated from the sale of products and services</i>
<i>Financial Management Systems – Processes, procedures and tools to manage financial resources and operations.</i>

4- **ADVOCACY:** The CSO sector's ability to influence public opinion and public policy

<i>Cooperation with Local and Central Government – Access to government decision-making processes</i>
<i>Policy Advocacy Initiatives – Initiatives to shape the public agenda, public opinion, or legislation</i>
<i>Lobbying Efforts – Engagement with lawmakers to directly influence the legislative process</i>
<i>Advocacy for CSO Law Reform – Initiatives to promote a more favorable legal and regulatory framework for the CSO sector</i>

5- **SERVICE PROVISION:** The CSO sector's ability to provide goods and services

<i>Range of Goods and Services – Variety of goods and services offered</i>
<i>Responsiveness to the Community – Extent to which goods and services address local needs</i>
<i>Constituencies and Clientele – People, organizations and communities who utilize or benefit from CSOs' services and goods</i>
<i>Cost Recovery – Capacity to generate revenue through service provision</i>
<i>Government Recognition and Support – Government appreciation for CSO service provision</i>

6- **SECTORAL INFRASTRUCTURE:** Support services available to the CSO sector

<i>Intermediary Support Organizations (ISOs) and CSO Resource Centers – Organizations and programs that provide CSOs with training and other support services</i>
<i>Local Grant Making Organizations – Local institutions, organizations or programs providing financial resources to CSOs</i>
<i>CSO Coalitions – Cooperation within the CSO sector</i>

<i>Training – Training opportunities available to CSOs</i>
<i>Intersectoral Partnerships – Collaboration between CSOs and other sectors</i>

7- PUBLIC IMAGE: Society’s perception of the CSO sector

<i>Media Coverage – Presence of CSOs and their activities in the media (print, television, radio and online)</i>
<i>Public Perception of CSOs – Reputation among the larger population</i>
<i>Government/Business Perception of CSOs – Reputation with the government and business sector</i>
<i>Public Relations – Efforts to promote organizational image and activities</i>
<i>Self-Regulation – Actions taken to increase accountability and transparency</i>

How to Score

The CSO Sustainability Index uses a seven-point scale from 1 to 7. **Lower numbers indicate more robust levels of CSO sustainability.** These characteristics and levels are drawn from empirical observations of the sector's development in the region, rather than a causal theory of development. Given the decentralized nature of civil society sectors, many contradictory developments may be taking place simultaneously. The levels of sustainability are organized into three broad clusters:

Sustainability Enhanced (1 to 3) - the highest level of sustainability, corresponds to a score between 1.0 and 3.0;

Sustainability Evolving⁵ (3.1 to 5) - corresponds to a score between 3.1 and 5.0;

Sustainability Impeded (5.1 to 7) – the lowest level of sustainability, corresponds to a score between 5.1 and 7.0.

Sustainability Enhanced	Sustainability Evolving	Sustainability Impeded
1.0 – 3.0	3.1 –5.0	5.1 –7.0

Scoring Process

The primary role of the expert panel is to provide an assessment of the CSO environment based on the seven dimensions mentioned above. During the panel discussion, panel members are tasked with discussing their initial scores for each dimension, including their evidence for these scores, and determining their final proposed scores for each dimension. The overall score for the country will be an average of these seven scores. Below are the steps to be followed by members of the expert panel:

Step 1: Please start by reviewing last year’s report and other sources of information about sectoral developments from the last year of which you are aware. Then, rate each dimension on the following scale from 1 to 7, with a score of 1 indicating a very advanced civil society sector with a high level of sustainability, and a score of 7 indicating a fragile, unsustainable sector with a low level of development. Fractional scores to one decimal place are encouraged. See “Scoring based on Level of Change” on page 8 below for guidance on how to determine proposed scores.

When rating each dimension, please remember to consider each indicator carefully and make note of any specific, country-relevant examples of recent or historical conditions, policies, or events that you used as a basis for determining this score.

⁵ The ‘Sustainability Evolving’ categorization does not assume a direct or forward trajectory. Dimension and Overall Sustainability scores that fall within this category may represent both improvements and regressions.

Step 2: Review your proposed score for each dimension to ensure that it makes sense in comparison to last year's score given the weight of the impact the developments will have at the sector level and the scoring guidance below. In determining the level of change, look at the evidence of change and the various factors over the year being assessed that led to those changes (events, policies, laws, etc.).

Step 3: Once you have scores for each dimension, average these seven scores together to arrive at an overall CSO sustainability score and provide all these scores to the Implementing Partner before you attend the Expert Panel discussion.

Step 4: Attend the Expert Panel discussion. Listen to other experts describe the justification for their scores. After discussing each indicator in a dimension, you will have the opportunity to revise your proposed score. The Implementing Partner will use the consensus score as the final proposed score. If consensus is not reached during the discussion, the Implementing Partner will average the Expert Panelists' scores, removing one instance of the highest and lowest scores, to arrive at the final scores that will be proposed to the Editorial Committee.

It is very important that the discussion includes specific examples and information that can be used to justify the Expert Panelist's scores. Therefore, please come prepared to share specific evidence of examples to support trends you have noted during the year. **If adequate information is not provided, the Editorial Committee has the right to adjust the scores accordingly.**

Scoring Based on Level of Change

The level of change in a dimension from one year to the next is determined by assessing the impact of multiple factors including new policies and laws, changes in implementation of existing policies and laws, various organization-level achievements and setbacks, changes in funding levels and patterns, as well as contextual political, economic, and social developments. While individual examples may seem impactful on their own, ultimately a sector's long-term sustainability only changes gradually over time as the implications of these positive or negative developments begin to be felt and their long-term effects take hold. Therefore, dimension-level score changes each year should not in normal circumstances exceed a 0.5-point change from the previous year⁶.

When determining what weight to give different trends and developments in how they affect the scores, consider the relative scope of the changes and the duration of their impacts. Those trends and developments that will have larger and longer-term impacts on the sector as a whole should be weighted more heavily compared to those that affect only limited parts of the sector and are more likely to change from year to year. For example, a demonstrated increased capability to mobilize domestic resources (e.g. through corporate philanthropy or crowdfunding), or a new mechanism for long-term funding of CSOs (e.g. through a basket fund or a tax designation mechanism) would signal a longer-term change in a sector's financial viability than a one-year increase in donor funding to CSOs conducting work around national elections.

In determining how the level of change in the dimension of sustainability should translate into a change in score, the following scale can be used to assist expert panel members' decision making:

What was the overall impact of the change(s) on the dimension?

⁶ **Note:** This scale has been adjusted for the 2018 CSOSI to more accurately reflect the scale at which trends and developments should impact a score given the definitions of the scoring scale above.

Deterioration	<p>Cataclysmic deterioration: Trends and developments have had a completely transformative negative effect on at least one or two indicators in the dimension and significantly affected other dimensions as well.</p> <p>Example: Legal Environment – A law has banned all international CSOs and their affiliates from the country, as part of the government’s systematic crackdown on civil society organizations.</p>	0.5 or greater
	<p>Extreme deterioration: Trends and developments have had very important negative effects on at least one or two indicators in the dimension.</p> <p>Example: Organizational Capacity – Economic depression and instability have led donor basket funds to close abruptly, leaving many major CSOs without funding for their activities. Outreach efforts to constituencies have been halted due to funding shortages and many major CSOs have lost their well-qualified staff members.</p>	0.4
	<p>Significant deterioration: Trends and developments have had important negative effects on at least one or two indicators in the dimension.</p> <p>Example: Public Image – The government conducts a relentless media campaign to discredit the image of CSOs by calling them agents of foreign actors seeking to destabilize the country. At the same, the government intimidates media outlets and threatens them with retaliation should they partner with or cover CSO activities without prior approval by the government.</p>	0.3
	<p>Moderate deterioration: Trends and developments have had a somewhat negative impact in at least one or two indicators in the dimension.</p> <p>Example: Legal Environment – In an effort to increase public revenue, the government has decided to increase fees by 100% for some types of government services, including CSO registration renewal fees, which were already very high according to many CSOs. As a result, some CSOs, particularly community-based organizations (CBOs), had to delay or suspend their activities.</p>	0.2
	<p>Slight deterioration: Trends or developments have had a slightly negative impact on a at least one or two indicators in the dimension.</p> <p>Example: Legal Environment – The government has decided that CSOs should submit their financial statement and annual activity report to the registration agency every year. This may have a long-term positive effect but in the short-term it has increased bureaucratic hurdles and the possibility of harassment by overzealous government officials.</p>	0.1
No Change	The country has not encountered any significant trends or developments in the dimension or developments have been both positive and negative in equal measure.	0
	<p>Slight improvement: Trends or developments have had a slightly positive impact on a at least one or two indicators in the dimension.</p> <p>Example: Legal Environment – To facilitate CSO registration, particularly for those in rural areas, the government has decided its registration agency will</p>	0.1

Improvement	allow the agency to take applications locally and process registration directly at the district level. Now, CSOs in rural areas are not required to travel to the capital to apply. However, this measure is accompanied with a small increase in the registration fee.	
	<p>Moderate improvement: Trends and developments have had a somewhat positive impact in at least one or two indicators in the dimension.</p> <p>Example: Service Provision – To improve the effectiveness of public service delivery, the central government has decided that at least 10% of local government contracts for basic service delivery will be set aside for CSOs. The law is lacking in specificity, particularly around the application process, but it reinforces CSOs’ image as credible partners.</p>	0.2
	<p>Significant improvement: Trends and developments have had important positive effects on at least one or two indicators in the dimension.</p> <p>Example: Public Image – There has been a net increase of CSO partnerships with businesses. CSOs have also agreed to and published a general code of conduct for the sector, reinforcing a positive trend of greater transparency and accountability.</p>	0.3
	<p>Extreme improvement: Trends and developments have had very important positive effects on several indicators in the dimension.</p> <p>Example: Organizational Capacity – The government and international donors have launched a five-year multi-million dollar basket funds to support CSO-led activities and to strengthen CSO capacity, with a special focus on skills training for CSO staff members, particularly those from CBOs.</p>	0.4
	<p>Transformative improvement: Trends and developments have had a completely transformative positive effect on at least one or two indicators in the dimension and will potentially affect other dimensions as well.</p> <p>Example: Legal Environment – A nonviolent revolution that toppled an authoritarian regime and installed a more democratic regime has produced sudden political and legal changes that will protect basic freedoms and human rights.</p>	0.5 or greater

Instructions for Baseline Recalibration

Background

To enhance its methodology, the Civil Society Organization Sustainability Index (CSOSI) incorporates recalibration as one of the pilot activities for 2018 CSOSI. Recalibration is introduced to adjust dimension-level scores that are not accurate, either because their baseline scores lack accuracy or because they have not moved significantly enough over time to reflect structural changes in the sector's sustainability. The goal of resetting these scores is to improve the cross-country comparability of scores and to increase the analytical usefulness of the CSOSI to its target audiences. The scores to be recalibrated have been selected after review by the Editorial Committee and verification by regional experts and have been finalized after consultation with the Implementing Partner (IP).

Instructions

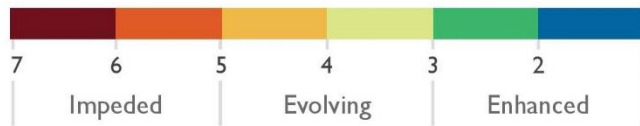
1. Communicate with participating expert panel members – The IP communicates to the expert panelists the purpose and the scores that have been selected for recalibration.

2. Use *Sustainability Categories and Scores – A Closer Look* and a comparison to other scores in their region to determine new score(s) – Instead of using the scoring guidance whereby proposed scores are determined by analyzing the level of change from the previous year, the scores identified for recalibration are determined by analyzing where they fall on the one-to-seven scoring scale, as well as a comparison with the other scores for that dimension in the other countries covered by the CSOSI in the region. The expert panelists should review the vignettes and illustrative examples in *Sustainability Categories and Scores – A Closer Look* to familiarize themselves with how various levels of CSO sustainability should correspond to the CSOSI's scoring spectrum. Scores should be proposed based on how well they match the descriptions of the various full-point scores listed in this codebook. To help narrow proposed scores to the tenth decimal point, experts can review other countries' scores listed for that dimension in the most recent regional report (which are provided to the IP with the other scores to be recalibrated removed to avoid confusion).

3. Discuss evidence for recalibrated scores, as well as trends and developments in the past year that led to improvements and deterioration in the dimension – The narrative report should be drafted the same as the other dimensions, reviewing the current situation and discussing what has changed over the previous year. A note will be included into the final report that clarifies that the new score for that dimension is based on a recalibration and should not be compared with the previous year's score to make assertions about improvement or deterioration.

ANNEX B: STATISTICAL DATA

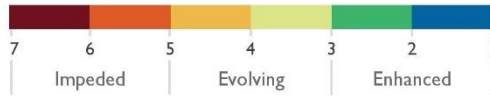
2018 ASIA SCORES



Country	CSO Sustainability	Legal Environment	Organizational Capacity	Financial Viability	Advocacy	Service Provision	Sectoral Infrastructure	Public Image
Bangladesh	3.8	4.7	3.2	4.4	3.7	3.2	3.6	3.8
Burma	4.6	4.8	4.2	5.1	4.3	4.2	4.3	5.1
Cambodia	4.6	5.1	4.0	5.2	5.0	4.2	4.3	4.5
Indonesia	4.0	4.4	3.8	4.4	3.3	3.7	4.1	4.1
Nepal	4.3	4.2	4.4	4.6	3.8	4.0	4.3	4.5
Pakistan	4.3	4.6	4.4	4.6	4.1	3.6	4.3	4.0
The Philippines	3.5	3.7	3.4	4.0	3.6	3.2	2.9	3.5
Sri Lanka	4.5	4.4	4.4	5.3	3.9	4.4	4.7	4.6
Thailand	4.9	5.4	4.2	5.2	5.0	4.5	4.8	5.0

To further explore CSOSI's historical data and past reports, please visit - www.csosi.org.

COUNTRIES RANKED BY SCORE



Legal Environment

SUSTAINABILITY ENHANCED

SUSTAINABILITY EVOLVING

The Philippines	3.7
Nepal	4.2
Indonesia	4.4
Sri Lanka	4.4
Pakistan	4.6
Bangladesh	4.7
Burma	4.8

SUSTAINABILITY IMPEDED

Cambodia	5.1
Thailand	5.4

Organizational Capacity

SUSTAINABILITY ENHANCED

SUSTAINABILITY EVOLVING

Bangladesh	3.2
The Philippines	3.4
Indonesia	3.8
Cambodia	4.0
Burma	4.2
Thailand	4.2
Nepal	4.4
Pakistan	4.4
Sri Lanka	4.4

SUSTAINABILITY IMPEDED

Financial Viability

SUSTAINABILITY ENHANCED

SUSTAINABILITY EVOLVING

The Philippines	4.0
Bangladesh	4.4
Indonesia	4.4
Nepal	4.6
Pakistan	4.6

SUSTAINABILITY IMPEDED

Burma	5.1
Cambodia	5.2
Thailand	5.2
Sri Lanka	5.3

Advocacy

SUSTAINABILITY ENHANCED

SUSTAINABILITY EVOLVING

Indonesia	3.3
The Philippines	3.6
Bangladesh	3.7
Nepal	3.8
Sri Lanka	3.9
Pakistan	4.1
Burma	4.3
Cambodia	5.0
Thailand	5.0

SUSTAINABILITY IMPEDED

Service Provision

SUSTAINABILITY ENHANCED

SUSTAINABILITY EVOLVING

Bangladesh	3.2
The Philippines	3.2
Pakistan	3.6
Indonesia	3.7
Nepal	4.0
Burma	4.2
Cambodia	4.2
Sri Lanka	4.4
Thailand	4.5

SUSTAINABILITY IMPEDED

Sectoral Infrastructure

SUSTAINABILITY ENHANCED

The Philippines	2.9
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SUSTAINABILITY EVOLVING

Bangladesh	3.6
Indonesia	4.1
Burma	4.3
Cambodia	4.3
Nepal	4.3
Pakistan	4.3
Sri Lanka	4.7
Thailand	4.8

SUSTAINABILITY IMPEDED

Public Image

SUSTAINABILITY ENHANCED

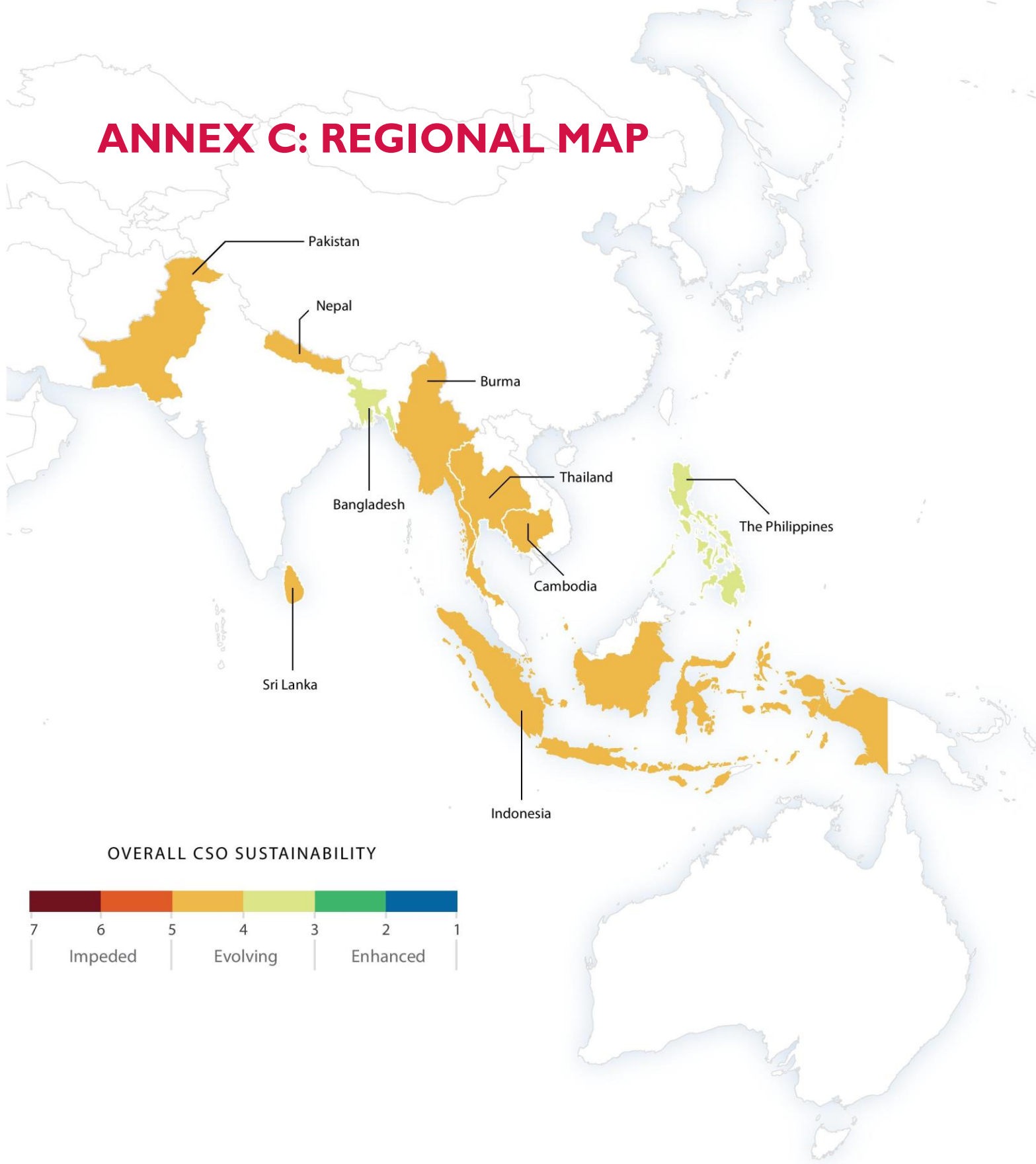
SUSTAINABILITY EVOLVING

The Philippines	3.5
Bangladesh	3.8
Pakistan	4.0
Indonesia	4.1
Cambodia	4.5
Nepal	4.5
Sri Lanka	4.6
Thailand	5.0

SUSTAINABILITY IMPEDED

Burma	5.1
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ANNEX C: REGIONAL MAP



OVERALL CSO SUSTAINABILITY



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